

#12

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Monday, December 24, 2018 8:32:27 AM
Last Modified: Monday, December 24, 2018 9:41:55 AM
Time Spent: 01:09:28
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Section 2.1: 2001 structural reform to enable the industry to drive strategic change

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk, and is it still needed

Section 3.2 Does the DIRA encourage industry growth?

Section 3.3: Does the DIRA influence Fonterra's strategy?

Section 3.5: Does the DIRA incentivise inefficient entry by large processors?

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

Section 3.7: Does the DIRA support competition in New Zealand consumer dairy markets?

Section 4.1: Options for DIRA open entry requirements

Section 4.3: Options for the base milk price calculation

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

no

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

no

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

yes

Q5 Do you think Fonterra is still dominant in the market for farmers' milk at the national and regional levels?

no

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

yes requ r ng fonterra to have excess process ng capac y
to cover open entry farmers

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Cease open entry

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

No because most of the growth is by joint or fully overseas owned dairy companies

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

No

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views. Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

No

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Investing in plant to process and shareholders make for the highest return

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

yes

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

yes pollution from other sources including urban areas should be regulated by the resource management act

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

yes availability of milk from Fonterra has made it easy for new processors to start up

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No they have had plenty of time to source their own milk supply

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes other dairy companies such as Synlait and Westland are planning to supply the local milk market

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Do away with open entry. New entrants can apply under existing Fonterra rules and regulations.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Existing large processors have had time to source their own milk supply and new processors would know the rules before they entered New Zealand

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible. **Respondent skipped this question**

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes? **Respondent skipped this question**

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Allow Fonterra to set its own milk price and competition from other companies will regulate it

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Phase them all out over a period of time

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

None

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes? **Respondent skipped this question**

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Phase them all out

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Compet t on w now regu ate the market

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

no

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Wou d on y he p Fonterra"s f nanc a performance and u t mate y back to the farmer shareho ders

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Yes get r d of open ex t and entry.A so stop Fonterra ,s ob ga on to supp y m k to overseas processors who dec de to start up any t me

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review

Name

Compa y

Add ss

Address ne 2

C ty/Town

Ema Address

Phone Number

s 9(2)(a)



#13

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Monday, December 24, 2018 11:10:43 AM
Last Modified: Monday, December 24, 2018 11:23:55 AM
Time Spent: 00:13:12
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

When the original DIRA regime had good intentions, I have never agreed with regulations that for a number of reasons and purposes were never designed to protect the New Zealand domestic milk market, which encouraged competing milk processors to export overseas trying to undercut each other, and the whole expecting Fonterra and its shareholders to subsidize this.

The original reason why Fonterra was formed was to capitalize on some economies of scale to compete with the large global customers like Walmart. The way DIRA has worked has been to counteract this completely and thereby the government's attempt to try to satisfy other governments that they don't support monopolies or dairy subsidies in any shape or form.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider that DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

No, as the market has done this automatically. It doesn't matter who the dairy processor is, if dairy farming is the highest value activity or the land then farmers will convert. The perverse outcome with additional dairy processors taking milk with the extra capacity more and has been converted with adverse environmental effects.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

When Fonterra still has a large market share, in most parts of the country there is fierce competition for this milk

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes, there is a real cost to Fonterra and its shareholders to have capital available to accommodate any unplanned milk supply that may or may not flow back into Fonterra due to changing supply or competitor failure.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

The costs and conditions of DIRA should be associated with a dairy companies, not just Fonterra, including open entry and supplying the New Zealand domestic milk market.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

The Commerce Commission and Milk Commissioner have enough powers and regulation between them to manage the market and Fonterra's milk supply dominance. DIRA is outdated and has failed to protect the New Zealand domestic milk market for the consumer.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

No, as the international market for dairy is what has encouraged industry growth. If the returns were not there then dairy farming in New Zealand would never have flourished over the last 20 years. A DIRA has done nothing on has encouraged fragmentation again, and while small companies can still do extremely well, most of the start-ups that DIRA has allowed simply export in commodities, undercutting each other and depriving us as a nation of revenue and innovation.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Milk supply volumes are simply influenced by cost of production and milk price. Fonterra must follow a pretty transparent manual when determining milk price.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

The large amount of capital and uncertainty when Fonterra is statutorily obligated to accept a milk, whether it wants it or not.

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

No, but if Fonterra must be completely transparent with its milk price, the other companies should also be required to be upfront with how they achieve their milk price.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

97% of Fonterra's milk is for the export market, where DIRA may influence parts of the strategy, I would hate to think that it drives it.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

To a certain extent as Fonterra is forced to accept a milk that meets certain supply standards. However better enforcement of those supply standards and perhaps an incentive programme by Fonterra of the likes of Miroka and Synlait would address this.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes. DIRA was never created to address these issues.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

No. DIRA was solely created to address perceived Fonterra market dominance.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

DIRA has been effective by a subsidy for new processors to establish themselves in the New Zealand milk market. Where else in the world is a competitor regulated and required to provide a handout for its competition. The cost to Fonterra and its farmers in having to manage this financial and logistical has been large.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No. With the current number of established processors now in New Zealand and they are large enough to seek and secure their own supply. By making Fonterra provide milk at a set price, disincentivises competition as this milk supply that these processors don't have to compete for at the farm gate.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term “practically feasible” were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No. I think with the advent of Global Dairy Trade (GDT) platforms and other market observation bodies give us as farmers better confidence as to which way the milk prices are heading, and with the transparent nature of the current milk price manual overseen by the commissioner is a good backstop.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

NO. they can oversee the process but shouldn't interfere unnecessarily.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

While the creation of Goodman Fielder has provided the NZ consumer with some choice/competition, there has been no requirement for any other dairy processor to supply the New Zealand domestic market and so there is a most a duopoly except for some smaller players.

Goodman Fielder is also now starting to export surplus product overseas, and surely by now there should be an expectation for them to start securing their own milk supply.

All dairy processors in New Zealand should have a requirement to supply the NZ domestic market.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

The two options for me around open entry is that either applies to all dairy companies, or it applies to none. DIRA is designed to regulate the dairy industry, not just Fonterra. If existing Fonterra supplies could not be suddenly cut off, then I think the open entry/exemption provisions are outdated and unnecessary.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

There would be no direct benefits for my business.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No. If they are unable to present a strong business case that includes securing milk supply, then they shouldn't be in business.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

I don't think that there should be any threshold for the large processors. I'm happy for a small threshold (say 10 million litres) for small cheese operators, but the large processors should have found their own supply by now.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

By making the processors get out and directly compete for the milk supply with direct incentive competition at the farm gate.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Exceptional. It's called normal business practice.

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

No more access to regulated milk for large dairy processors.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

I am happy to continue with regulated milk supply to Goodman Fielder and the smaller niche operators if they solely supply the New Zealand domestic market. When they start exporting produce overseas then they should lose that right to regulated milk.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

There is a difference between market dominance and monopoly. While Fonterra has a large market share nationally, in many regions this is not reflected. I believe the sunset clause of 80% milk supply nationally should be retained. If we allow this to sink much lower, then we run the risk of too many smaller companies simply trying to undercut each other without the benefits of a Dairy Board.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views

With the number of milk processors in New Zealand and the maturity of the industry I think the DIRA review and expiry date could happen anytime now.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

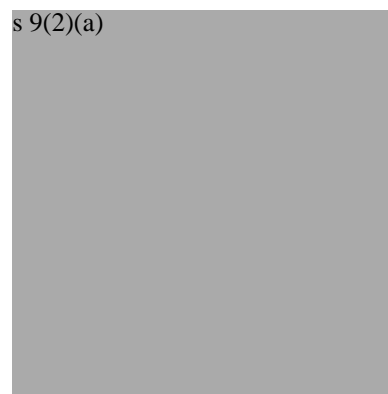
Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

A large grey rectangular box redacting the contact details provided in the form.

#14

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Monday, December 24, 2018 8:38:13 AM
Last Modified: Friday, December 28, 2018 8:55:56 AM
Time Spent: Over a day
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit. **I wish to submit on all sections**

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Original made reasonable sense, it's no longer valid

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence. **Respondent skipped this question**

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

It has been, competition is well established, and use options are more limited by regulation than influence from Fonterra.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Not overall, but in some isolated regions there is still the choice and probably never will be.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes, a direct cost of providing subsidised milk by removing the option of adding value to that milk and by having our own milk compete with us in global markets. There are also considerable costs associated with having to accept a milk even when it's marginally uneconomical to do so.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

They are key to be effective. The most simple and effective solutions to scrap DIRA immediately with phasing out the GF milk as a condition. GF can then have some time to arrange future supplies.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

If DIRA is to be abolished, existing farmers need security of supply, this could however be achieved by commitments from Fonterra that do not necessarily need to be enshrined in law.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Environmental factors. Enabling Fonterra to refuse supply on environmental and animal welfare grounds.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

DIRA probably has done so in the past but focus now needs to be on value added. NZ has reached peak cow. We don't need or want more cows, just more value from our milk.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Fonterra is bound by the milk price manual and the Commerce Commission has oversight. Prices are mostly a result of volumes on the global market (supply and demand), not the other way around.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views. **Respondent skipped this question**

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Yes it does but there are good reasons to have a very flexible milk price, without too much money could flow from milk to dividend and vice versa. This is not desirable and could disincentivise adding value. The government should never set milk price but Commerce Commission oversight may still have a role.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

DIRA has key pushed volume, resulting in too much commodity product, possibly investing in too much stainless steel and not enough effort for value add. Culture change is required, opportunities have been missed. Not every drop of milk has its value maximised.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

DIRA's impact has been mostly negative and DIRA should not be the vehicle for environmental performance.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Absolutely and DIRA should not stand in the way of Fonterra being able to refuse supply for those reasons.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

There undoubtedly are but as above DIRA should not be the conduit and the question should not be part of the review.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

New entrants are usually small to start with locally, they may be large overseas. They may not always look for niche products in different markets but eventually they will compete overseas.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Definitely not, neither should small processors. Competitions we established now, future competitors should get there under their own steam

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

A very able transparent milk price is crucial to farmers. DIRA should be scrapped, but efforts to stay in any small part, some carrying guidance on the calculation methods should be considered. The requirement to provide a milk price forecast in December should be scrapped or at least should move away from a single fixed figure.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

The idea is superficially attractive, but apart from the many details in the details, there would be implications of potential perception that would be unpalatable and may raise the ire of some overseas countries. It would however stop some foreigner pointing at Fonterra "manipulating" the milk price.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Few other processors have been supplying the fresh milk markets in NZ or if so have done with premium products, i.e. Lewis Road organic milk. GF has benefited from DIRA which has been useful to the NZ consumer. But now it should be weighed off subsidised milk with a phasing out regime. There is ample other potential supply out there and Fonterra could no longer use its dominant position to squeeze the NZ consumer.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

The duopoly of major supermarket chains in NZ is not helpful.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Open entry should be scrapped. Existing supply should however be protected, but perhaps eggs at once not required for that. There is a provisions agreement with Federated Farmers and maybe it could go into Fonterra's constitution.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

1. No improvement
2. Would increase our bottom line over time
3. Little improvement, risk of Fonterra manipulating terms of supply to exclude new entrants which could impact on existing supply

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principle of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

There is only one good option, scrap it

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Option 2 as the current requirements are a brake on Fonterra

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Purchase the milk on a market basis, from any producer or processor

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Too high, it should be set to 0, get rid of the milk regs

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Any access to regulated milk is a cost to my business, it impacts my returns on capital invested, i.e. Fonterra shares.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

There are no benefits to the sector, only costs. At best it will provide subsidised dairy products to NZ consumers, at worst it will compete against Fonterra products in global markets

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

No more regulated milk access

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

There are plenty of other options including dropping the requirement altogether but I can't think of any option worthy of further consideration. The Milk Price Manual is probably the most difficult part of the review and there are no perfect solutions, but whatever solutions arrived at needs to be transparent and robust.

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Depends on the outcome which is a bit unpredictable. Too low a milk price would undermine Fonterra's competitiveness and could affect farmers' incomes. Too high a milk price and it could affect the dividend on shares and units. It is important to me to be confident that Fonterra cannot 'manipulate' the milk price.

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Options 2 and 3 would provide the most certainty and transparency but probably not fare so well on cost effectiveness and timeliness compared to option 1.

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Hard to say, opt on 2 looks the most attractive. Opt on 3 should not be ignored due to its cost, but the notion of the state setting the milk price gives me the shivers when I think of the potential and even the free trade implications.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No more regulated milk, cut out new small processors immediately and phase out the rest but give GF sufficient time to negotiate a alternative supply which could be from any processor including Fonterra

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

For every treeless supplied I would gain a small benefit in my milk income

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

No idea, relevant question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Opt on 3 phasing out GF and small processors

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Market dominance in terms of processing or consumer markets? Fonterra is dominant in the domestic consumer market only because most other processors see it as not sufficiently profitable, probably due to the GF milk. In terms of processing farmers have choice in a central areas but isolated areas that is not attractive for competitors to set up.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Scrap DIRA altogether with a provision for phasing out regulated milk

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Scrapping DIRA would benefit our business and put Fonterra in a stronger position to create added value from global markets

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

DIRA regulates markets, the state should not be involved in regulating markets of legitimate products, hence abolishing DIRA would rank the highest.

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Option 4, but immediate expiry preferred

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Scrapping of DIRA was not seriously considered as an option. Competition is a given and we, no need to look into that any further.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

#17

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Monday, January 07, 2019 2:54:12 PM
Last Modified: Monday, January 07, 2019 3:01:31 PM
Time Spent: 00:07:18
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

yes. It needs to be stopped.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Is should be the NZ privately owned cooperative.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

yes. Why do I as a

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Yes. Why do I as a Fonterra farmer have to have my milk supplied to a competitor. Where in the world does this happen. I have paid for the stainless steel and have my own mortgages. It is not intended that I should underwrite overseas companies to benefit from this.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

you don't need any.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

No.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

s 9(2)(a)

Company

Address

C ty/Town

Ema Address

Phone Number



PROACTIVELY RELEASED

#19

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Monday, January 14, 2019 12:08:59 PM
Last Modified: Monday, January 14, 2019 2:02:52 PM
Time Spent: 01:53:53
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

no

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

no

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

yes

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

yes

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

yes

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

I believe so. Take away the requirement that Fonterra has to take a milk. If milk volumes drop Fonterra has a lot of stranded assets

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

NO

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

The requirement to supply other companies with milk that export into World Markets with milk. No problem with supplying milk to smaller companies.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

I believe the capital structure of Fonterra is not suited to competing in World Markets. Its present structure should only be a commodities provider.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

I Agree with you the setting of the milk price should be done by the commerce commission.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Fonterra Shareholders are getting shafted. Monies that should be paid out in dividends are being moved into the milk price. So Fonterra can compete with other Dairy companies

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Yes. I DO NOT TRUST Fonterra TO SET THE MILK PRICE. It should be done by the commerce commission.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Fonterra needs to be split into two companies. As a shareholder I find it a real disappointment. We shareholders also need to see capital growth in our shares. When Fonterra was formed I believed it had a exciting future. There needs to be big changes lead by the government so all New Zealand share in the benefits that it could bring.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Where I farm s 9(2)(a) there is probably nothing better in the country or possibly in the world which is so suited for Dairy Farming.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

In s 9(2)(a) we have a very supportive regional council. The reviews of the waterways are cleaner now than they have ever been. Leave it up to the regional councils.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Fonterra should have the right to refuse supply from areas they consider not suited to Dairy farming.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

No You need to incent v se new processors to obtain their own supply. In s 9(2)(a) at the moment the only company we can supply is Fonterra. Open Country the only other alternative is at capacity

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

NO they compete with us on the World markets.

Page 9 Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

I have no confidence in the present model

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

YES

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

yes

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views

IT shou d be spread to other b g processors a so.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

At the moment n s 9(2)(a) at the moment we have Hobsons cho ce. We cannot supp y anybody e se.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Do not know what you mean

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Fonterra s ou d ot have to take a m k

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

no

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

About r ght there shou d be a t me m t

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

can not answer that

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

do not know

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

YES ALLREADY PROVIDED

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

your opt on f xed by the commerce comm ss on

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Benef t a h gher d v dend.Cap ta growth n he va ue of my shares

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Do not know

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Commerce Comm ss on to f x t n consu tat on w th other p ayers n the ndustry

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Big processors should also provide some milk where it is required

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Do not know

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Do not know

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

No

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

EVERY FIVE YEARS

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

NO

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Do not know

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

NOT WELL

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

NO

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)



PROACTIVELY RELEASED

PROACTIVELY RELEASED

PROACTIVELY RELEASED

PROACTIVELY RELEASED

PROACTIVELY RELEASED

PROACTIVELY RELEASED

PROACTIVELY RELEASED

PROACTIVELY RELEASED

PROACTIVELY RELEASED

PROACTIVELY RELEASED

PROACTIVELY RELEASED

PROACTIVELY RELEASED

PROACTIVELY RELEASED

PROACTIVELY RELEASED

PROACTIVELY RELEASED

#20

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, January 17, 2019 8:59:38 AM
Last Modified: Saturday, January 19, 2019 12:36:14 PM
Time Spent: Over a day
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit. **I wish to submit on all sections**

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

I agree with the original rationale. However I now feel that it has run its course and is no longer valid.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

I feel that the impact of TAF has not been considered

As TAF came into effect after the DIRA, I think that Fonterra is now at a disadvantage if a farmer is looking to grow, start up or has high debt levels due to the opportunity cost of capital.

Fundamentally the share price is a way going to be more closely aligned to the shares that are being traded on the share market and since the owners of those shares have generally purchased them with surplus cash/capital then they are looking for a return above what they would get from the bank for say term deposits. i.e. 5.00%

Fonterra farmers on the other hand typically have a reasonable level of debt in the business and therefore need the return to exceed the cost of debt. i.e. 6.50%

If Fonterra is paying a dividend of 30c then the shares are valued on the share market at \$6.00/s vs the farmer who would only break even if the share price were \$4.61

With the share value tending to be closer to the price required for investors (\$6.00), for the farmers that are starting out, growing the business or have high debt levels then it will always be more attractive to supply another company. This in turn makes it easier for any competitor to attract new supply from existing Fonterra suppliers.

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

I do not think Fonterra is dominant when talking about new/growth supply. It is only dominant in areas where competition have not established yet.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes. Requiring Fonterra to have sufficient surplus capacity and to be the firm picking up milk from the fringes imposes a competitive disadvantage on Fonterra.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information

Providing a fair paying feed. Allowing DIRA milk that is being supplied to competitors to reflect a truer cost of picking up from areas and holding excess capacity.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Foreign ownership stacks in competitors. I support Fonterra's DIRA milk supporting NZ owned competition but not when large foreign owners are backing them

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Agree

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Agree with Fonterra's thoughts that open entry forces them to have sufficient capacity in order to return to processing.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views. **Respondent skipped this question**

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

I believe the milk price is already governed and overseen appropriately. If I was supplying a competing milk company, I would be very apprehensive about any change to this as it's what has provided the comfort and security of supplying a competitor with them generally being closely matched to Fonterra. Any negative change to this would hurt all NZ farmers.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views. **Respondent skipped this question**

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

DIRA has definitely had an impact with providing the guaranteed buyer for milk. This is especially evident in central Otago where the dairy expansion has occurred and Fonterra did not want to be picked up from there but had no choice.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Agree

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means? **Respondent skipped this question**

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Agree that it does invite and make it easy for foreign firms to establish supply and take profits overseas.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No. Strongly disagree with this as per explanation earlier.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term “practically feasible” were to be provided for in the DIRA? Please provide detailed comment in support of your views.

D agree

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No. With this being set by Fonterra and overseen by the commerce commission it provides comfort for all farmers, especially those that are or make a look to supply a competitor

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Agree

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Option 3

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Opt on 2. Needs to exclude large foreign corporate benefiting from NZ

Page 13: Chapter 4: Options for change 3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Retain status quo

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Opt on 4 followed by 3. While acknowledging that there are strong reasons where there is a lack of competition, I think it is essential that Fonterra suppliers retain market share of no less than 75%. Reason for this being that at discussions on groups and within the community there is a sense of pride, belonging and being part of the bigger picture when 3 out of 4 farmers are supplying Fonterra. If that dropped to 2 out of 4 then those senses would be lost and it would be easier for competitors to attract farmers away from Fonterra.

Page 16

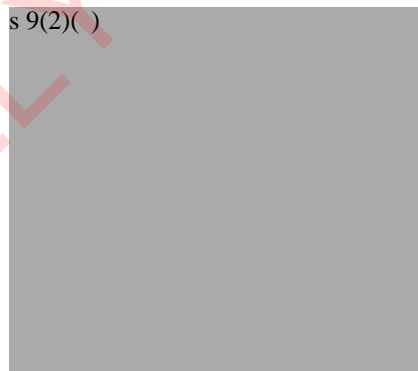
Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name
Company
Address
Address line 2
City/Town
Email Address
Phone Number

s 9(2)()

A large grey rectangular box redacting the contact details provided in the form.

#21

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Saturday, January 19, 2019 2:25:52 PM
Last Modified: Saturday, January 19, 2019 5:01:11 PM
Time Spent: 02:35:19
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Section 2.1: 2001 structural reform to enable the industry to drive strategic change

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

I agree the description with the best of my understanding and can see the original policy rationale however the policy makers did not know that grain and meat prices were going to consistently less than milk prices nor that the Australian green fly was going to establish itself in NZ and devastate our sheep flocks and a lot of these things have led to a huge increase in Fonterra's supply area. I believe the policy of open supply should have stopped long ago and that Fonterra should not have to supply competing companies.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Not that I can see

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider that DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes had Fonterra not had to continually build new plant to cope with a continually increasing supply it could have used those resources to go into higher value. Another cooperative, Tatua, has a stable supply and has a much better profit even from being able to specialize and not needing to continually build plant to cope with an increasing bulky supply. The other NZ coop, Westland, has a serious need to use its capital building as the regions geographical isolation by the Alps. The regulations have been a disaster and have ensured that dairy farming could take place in areas that were always unsuitable and the extra supply and costs involved has of course always lowered the profits of the original dairy farmer in traditional areas. NZ has benefited from the extra overseas income from the extra dairy production but despite that most of the population hate the dairy industry and as dairy farmers and a majority I believe would like a dairy cows in NZ to vanish and then they could then get our milk products from a foreign country.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

There are many regions where Fonterra is dominant because no sensible company would pick up the milk there and nor would Fonterra but the Act made it mandatory for all those changing and use to dairying to be picked up by Fonterra. Unbelievably stupid!

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes undoubtedly! The act has ensured that Fonterra has to continually increase its collection volume and so continually keep building increasing factory capacity. If the milk price goes up there will be a lot of unused stainless steel sitting at bargain prices.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

The question acknowledges that Fonterra has costs imposed on it that are not faced by other companies. Fonterra is owned by NZ farmers and yet the NZ Government hand caps it while helping other dairy producers many of those companies profits will go to foreign countries. If Fonterra fails financially those other companies will then pay the remaining farmers the bare minimum and NZ will have killed the dairy goose that laid the golden egg. The general population of NZ don't deserve to have such a high living standard and it will be interesting to see if and with what they can replace the income the dairy industry brings into NZ.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Zespri is more dominant in the kiwifruit sector than Fonterra and that industry has dealt with much greater hurdles (PSA) than the dairy industry has so far. Perhaps look at that model as it has been very good for NZ over the last 30 odd years. I am both a dairy farmer and kiwifruit grower and the single seller domination has been very important to the success of kiwifruit. We once had seven exporters and the industry was completely bankrupted and would have failed completely if they had not been replaced by the then kiwifruit marketing board.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

If you want a dairy industry to survive in NZ (there are many people in the country who blame the industry for all their problems and would like to see it fail) then the industry needs a strong cooperative to set a benchmark payout price that the proprietary companies will have to match. The two other co-ops Tatua and West have closed supply and will not take more shareholders. The benchmark can only be set by Fonterra or another similar company which will never eventuate. If Fonterra fails it will only be a matter of time until the other companies start paying the minimum to farmers so that their company profits can increase. Like Ireland and other countries that went this way thirty years ago the industry would then collapse. If you can no longer make a reasonable profit milking cows seven days a week there are many other more pleasant things to do with farm land. We can plant trees, suck up CO2 and go have a sweet life in Auckland or the God Coast. No worries mate.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Growth was encouraged because dairy returns were higher than meat and grain returns on the same land. The DIRA's mandatory collection by Fonterra ensured that land use would take place.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

If the market price drops below a \$4-00 payout to farmers for four consecutive years the dairy industry will probably be finished. This is the world market operating and we are just another payer.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

see previous

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

not aware of it

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

The business is selling dairy products to the world and if the world wants them then they invest in manufacturing those products. If quality and price are right they can sell the stuff but if someone else is better and/or cheaper you go under. Simple reality. DIRA is just another hand cap that the company has to contend with.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

see above

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

That's what the RMA was brought in to do

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

The RMA should do everything

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

OK

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

no definitely not. Where else do the overseas competitors get help to undermine the locals. Perhaps we the ABs should pay the world with a payer less than the other teams.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

You can calculate a you like but in the end only the world market is the final setter of the price that can be paid

Q21 Do you consider that the base milk price should be set by an independent body (e.g. the Commerce Commission)? If so, please provide supporting information.

I don't think that that would help at all

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Not that I am aware of.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

see previous comments

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

as above

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

It's well past time to finish

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

It should have been finished some years ago.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

no

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

too high

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

As a Fonterra supplier it's mandatory tax on my business

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

no comment

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

see previous comments

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

The present is ok but it will always be contentious and in the end the customer sets the price. Predictions are seldom correct.

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

NA

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

The market as one of the setters of price

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

It's ok

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

It's working I believe

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

NA

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

NA

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

I believe the present system is ok

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

see previous

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

NA

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

NA

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

NA

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

NA

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

NZ has benefited for a long time from a strong dairy industry and I have been lucky to be part of it as so. There are a lot of headwinds to the industry. Very few locals want to work in the country. Less want to have dirty hands. Then as so cows need to be milked 7 days a week which is ant social. Presently most of our pork comes from Canada and we are importing as so vegetables from China. If Fonterra goes down many in the h's country will be overjoyed and I believe we will have a govt we deserved. On y then will some realize how lucky they were.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

City/Town

Email Address

Phone Number

s 9(2)(a)

#31

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, January 22, 2019 8:53:05 AM
Last Modified: Tuesday, January 22, 2019 9:56:28 AM
Time Spent: 01:03:23
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

The original rationale/terms has already been modified for potential expediency. The current DIRA regulations advantage overseas competitors to the detriment of NZ farmers

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

No one was ever prevented from leaving Fonterra or changing land use. Dairy farming has always been the most profitable traditional use.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Yes but this only means that they perform well. Why use the term "dominant" when they are actually the most desirable choice and a cooperative. Can we not choose to work together for our collective benefit.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes, been forced to supply your competitors with raw milk by regulations more quickly than before

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

No. Se f congratu at on just f cat on reason ng of the effect veness of DIRA. The ndustry wou d of responded to market s gna s as fast as requ red. DIRA d d not form Fonterra. DIRA was the ru es imposed to a ow the da ryfarmers of NZ to form one co operat ve n recogn t on that we wou d a benef t from work ng together. The r are a ways egot st ca nd v dua s that th nk they know better and wou d rather anyone e se than be a sheep. A of the new manufactu es on y pay enough to appear to match Fonterra. Tatua s an except on and c osed shop ,they are not requ red to take on new sup y

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

yes

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonte ra's base milk price calculation and Comme ce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

yes

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

No,

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views

Yes

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No. Why is it even desirable to encourage overseas investment and associated drain of local return

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

no

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes, Why not let Goodman Feder sink or swim on the r own merits. Why not just require a basic mix of domestic supply be tied to the raw milk price by regulation thus protecting consumers

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

4.2.2

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Address


Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)



PROACTIVELY RELEASED

#33

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, January 22, 2019 9:15:29 AM
Last Modified: Tuesday, January 22, 2019 10:23:28 AM
Time Spent: 01:07:59
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 2.1: 2001 structural reform to enable the industry to drive strategic change

,

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

,

Section 3.2: Does the DIRA encourage industry growth?

,

Section 3.4: Does the DIRA impact on the industry's environmental performance?

,

Section 3.5: Does the DIRA incentivise inefficient entry by large processors?

,

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

,

Section 3.7: Does the DIRA support competition in New Zealand consumer dairy markets?

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

DIRA may have had its place originally but not any longer NO LONGER VALID

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes it has but is now DETRIMENTAL to Fonterra as they are losing the confidence of NZ farmers who see profits from the industry going offshore. Many Chinese

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

NO there is no longer a domination of Fonterra. They are struggling because of bad management of past CEO and Chairman and now huge debt. Many farmers opting to get out.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

There is a huge cost with free entry which in many cases requires milk pickup from unacceptable distances with conversions done at will. The requirement for Fonterra to supply milk to offshore competitors leaves NZ farmers and Fonterra struggling to survive.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

NO. I don't believe so. Cannot think of any reason for Fonterra to comply.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

There is only a small margin of dominance now and farmer confidence is weakening by the day.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

NO. DIRA is no longer relevant. It was never intended to progress in other ways.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

NO. It may be encouraging OFF SHORE companies but NZ farmers will lose control eventually because overseas corporates will gradually take control with proceeds moving offshore.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

I do not believe DIRA has helped environmental performance. It has encouraged dairy conversions in marginal areas. Therefore the breakdown of unsustainable dairy and production from that and transport has been unacceptable.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

NO DIRA

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Because of DIRA large dairy conversions are being allowed in areas such as the McKenzie country because Fonterra is obliged wrongly to pick up the milk.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

No do not agree. The creation of dairy farms on often marginal lands is wrong.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No I do not agree . Fonterra because of poor past management s unsustanable and therefore the continuation of raw milk to competitors where profits go offshore s a huge loss to the NZ economy

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Possibly but limited Could be of assistance such as in the case of Goodman Feder providing adjustment

Q21 Do you consider that the base milk price should be set by an independent body (e.g. the Commerce Commission)? If so, please provide supporting information.

NO . Everyone s looking for free market share Why not the dairy industry

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

No . The markets should be allowed to sort out the own true values

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

I believe markets should sort out their own true value . If they are unable to do this then other stronger markets will take over If DIRA continues to make Fonterra vulnerable NZ farmers will be taken over by the Chinese and others

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

DIRA needs to be gone or eg s at on drast ca y change othe w se the NZ da ry ndustry w be d ctated to and be n the hands of the Ch nese and b g Corporates eav ng NZ da ry farmers d s us oned and the NZ economy ack n g one of t's b ggest f nanc a prov ders

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Address

Address ne 2

C ty/Town

Ema Address

Phone Number

s 9(2)(a)

#37

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, January 22, 2019 11:04:00 AM
Last Modified: Tuesday, January 22, 2019 11:50:16 AM
Time Spent: 00:46:15
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Do you consider the original policy rationale is still valid? No

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Only to a degree.

Many unintended consequences

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

no

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

yes Having to build stainless steel to process milk

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Does no longer needed get rid of it

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

It a co-op for NZ dairy farmers protect on for farmers s through the r shareholding. Dont need the DIRA to do th s

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Dont k d your se ves t DIRA had noth ng to do w th ndustry growth.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Prof t s the ma n dr ver for the ndustry

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Not Sure

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Shareholder need for profit

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Has had little to do with it

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes absolutely

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

None

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No unfair to Fonterra Shareholders

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Be gone with Regulations let the market sort that out

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

no not a cost to me

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Let the market sort that out

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Fonterra should be able to decide taking on new shareholders

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Facts set out completely over a short time period no more than 5 years

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Too high

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Leave a one or let the market sort it out

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Market forces should prevail

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

s 9(2)(a)

Address

Address line 2

Email Address

Phone Number



PROACTIVELY RELEASED

#42

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Monday, January 21, 2019 8:29:05 AM
Last Modified: Tuesday, January 22, 2019 7:32:17 PM
Time Spent: Over a day
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

No. The industry has moved on. Many processors that had access to DIRA milk have failed to succeed on their own and are now predominantly foreign owned. Access to DIRA has ended and will continue to drive poor economic choices investing in NZ milk.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

The document states that DIRA is not there to reduce Fonterra's market share, yet our monitors, many Commerce Commissioners, hold the archaic view that a contestable market requires Fonterra to process less than 70% of milk available. This ignores the huge investments of capital needed, the security of being a member of a co-operative and participating in the full value chain.

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

I doubt that Fonterra is using its dominance to create barriers and is in fact penalised by the regulation to accept a milk. The huge cost to set up a factory is itself a huge capital hurdle. In my view there is no barrier for a well-capitalised competitor setting up in New Zealand.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

The review panel needs to clear y d st ngu sh between "dom nant", as n over bear ng vs market share.

I am aware of some prev ous behav our of Fonterra that was determ ned to be contrary to the DIRA eg s at on. Regard ess, be ng a co-operat ve requ res members to ho d cap ta n proport on to supp y. Therefore there s a rea r sk of members eav ng and tak ng the r m k.

The r cap ta ho d ng s not redeemed by Fonterra (Trad ng Amongst Farmers [TAF] but eaves stranded Sta n ess Stee (S/S). It s n Fonterra's best nterest to reta n m k supp y. It s a so n the best nterest of NZ Inc. that a S/S s fu y ut sed.

We have reached a po nt where there s un ke y to be much more m k ava ab e n NZ. If upstart compan es ns a capac ty that s not fu y ut sed and Fonterra has to supp y DIRA m k (strand ng ts capac ty) NZ Inc. suffers. H story has shown the meat ndustry, on y strong co-operat ve are ab e to ret re p ant. Why shou d Fonterra be the party that has to bear the cost of stranded capac ty created by under cap ta zed newcomers.

It s not up to Government to regu ate the market.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes:

Need to co ect a new m k w th n ts ex st ng supp y zones, where newcome s are ab e to cherry p ck

M k supp ed to others nsu ates them from some of the ma n costs of ho d ng t er capac ty, transport management and ho d ng excess capac ty when supp y s not requ red by upstarts.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

I don't be eve that DIRA s effect ve at a .

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

That a Compan es are requ red to dec are the r true m k pr ce n an open and transparent way as s requ red of Fonterra.

Compet tors seem to s mp y copy Fonterra's m k pr ce and then d scount/bonus's that m k mak ng t d ff cu t to compare true payout.

Q9 Are there other fac ors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

There s a d s nct d fference supp y ng a compet tor where you on y have an nterest n the M k Pr ce and be ng a member of the Co-operat ve a d part c pat ng n the fu supp y cha n.

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

The discussion document is not that clear on growth with many constraints coming into play governing cow number and availability. The current shift from Beef & Lamb shows that some expansions possible provided environmental conditions can be met. However there is also leakage from dairy to Beef and horticulture as some farmer find it increasing difficult to meet industry and environmental standards, eg, nitrogen loading.

And what constitutes industry growth, more Milk solids? Most new Milk solids are destined to be turned into commodity products like WMP, SMP, AMF and Butter.

Is industry growth shifting Milk solids into higher value products? Everyone claims to be making Infant formula or Aged Care products. Fonterra has the potential capability to more product than its competitors and yet the investment isn't forthcoming. And there is the rub, high value products incur high production costs and while the headline price is huge, the profit is generally poor in relation to investments required.

Fonterra has a huge market in India for small serve sachet milk powder. This is packaged overseas because the cost within NZ prohibit local manufacture.

Does the production of specialty products like, Pharmaceutical grade Lactose constitute real value add and industry growth? Fonterra produces about 300t in a world market of about 600t. In an industry that processes 1.5Bkg Milk solids and an additional 0.9B kg Lactose and Minerals (2.4B kg of total milk solids). 300t is barely 0.013% of this and slightly more in revenue terms. And to produce any more would saturate the market and devalue the product.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

No. Milk supply is a long term process with cows needed to be made in the current season and milk price for next year. Neither Fonterra or any analyst has successfully and consistently predicted future milk prices.

Commentators make really naïve comments suggesting that farmers can significantly change milk composition (Fat & Protein ratios) and volumes. While volumes can be influenced through extra feed or culling cows, these in season changes are very temporary. With the NZ industry far more reliant on the grass curve changes in milk supplied is more dependant on weather than milk price.

The document states that Fonterra currently pays a premium for Protein and a discount for Fat. This has changed in the last 2 seasons and Fat is at a premium to Protein.

Although a debate with respect to the Milk Price Manual, I strongly object to Fonterra's Milk solids model, especially when 25-28% of raw revenue is derived from Lactose.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

The long term security of milk supply is more dependant on farmer breeding choices, feed management and purchased inputs. Investment in infrastructure such as the size of Farm Dares feeding systems (feed pads, on-shed feeding, pasture management and environmental constraints).

Capital constraints (buying shares) may restrain production and supply to Fonterra.

Government and the investment community believe that through trading shares (a better indirect way through TAF) we have transparency to the market value of Fonterra. Although a member I find perplexing as to why the investment community wiped \$2.05 off the share price. (11/1/2018 = \$6.60 and 12/10/2018 = 4.55) The reported loss of \$400m represents \$0.27c a share. Ironically, on an dividend yield method would suggest a transparent price of \$1.70.

Carey investment too frequently used do not work well for Fonterra. For a member the share price is only of a concern when increasing or decreasing supply, otherwise it becomes an equity entry on the balance sheet, not cash.

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

To be quite honest I believe the Milk Price Manual and the Milk Price Statements is a crock.

To the extent that the original proposal would discover the Milk Price that a competent competitor could pay for milk, it has become Fonterra's external and internal Milk Price from which Fonterra's Value Added is derived.

The use of hypothetical costs to actual Fonterra costs and the addition of off GDT sales essentially makes it a proxy P&L for Fonterra commodity business.

To the extent that Fonterra and commentators suggest that milk can be moved to value added, in reality only short term margins can be taken. Markets quickly rebalance recognising milk value.

We have seen a dramatic rise and fall in Fat values. Some in part has been due to poor EU policy for intervention stocks and now that it has reduced we see SMP returning to unconstrained pricing.

A real bugbear has been the treatment of Lactose as an ingredient. While clearly identified as a cost, it is placed above gross revenue. It is not clear as to why it is not treated in the same manner as, say, salt for butter.

And while the manual uses GDT (or other market) to value Lactose, most is derived from NZ milk pools used to produce Cheese or Casein. Its transfer value and ingredient cost should be much less than imported Lactose cost used in the manual. Lactose cost has ranged from \$0.22 & \$0.42 c/kg MS in an environment where Total other costs have stayed in a tight range of \$1.71 & \$1.91. There would always be an incentive to maximise the transfer price between Fonterra and a DIRA supported competitor. This is counter incentive when it becomes the transfer cost for Value Added activities and dividend.

Q14 If the DIRA is not driving Fonterra's business and investment strategy what is? Please provide detailed comment in support of your views.

I do not believe that DIRA drives Fonterra investment or strategy other than having to hold capacity for new DIRA supply that is compelled to collect.

There has been a shift in policy where Fonterra has invested just enough to meet anticipated supply.

Several years ago, Fonterra was caught short when a seasonal flush overwhelmed installed capacity. The 5mL buttermilk stink and environmental impact prompted installation of excess capacity. While touted as needed to allow "optionality" and chasing more profitable product mixes, I believe it is an insurance against seasonal fluctuations.

It is no longer clear in the MP Manual as to how voluntary excess capacity should be treated in overhead costs.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

No. With or without DIRA Fonterra would need accept new milk from existing suppliers from existing farms that meets its terms of supply. This may be through seasonal variations, changes in feeding practices and some conversion and.

However new supply from new conversions are a function of new economic investments and RMA resource consents allowing an activity to occur. DIRA does not drive this investment or to which processor that milk is sent. However Fonterra has the inability post that it must accept this new supply should another processor be unable to and the new supply exists within an existing Fonterra catchment.

Fonterra should be free to exclude acceptance of new supply where it does not meet the minimum standards that exist in Fonterra's terms of supply.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes. DIRA would be overstepping the mark in setting environmental outcomes. These are the responsibility of Regional Councils and general RMA law and policies.

While I believe that DIRA should be established completely, it should not be used to pursue other purposes, such as environmental standards.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views

Not really. DIRA needs to be established. Government would not ask a Hotelier to decrease prices (although discoverable) cost structures and then force them to migrate customers to the competitor.

Should a competitor wish to establish capacity in New Zealand it should do so on the merits of its own business model. If the relevant proposition is sound then supply would freely move to that processor.

We can speculate how Fonterra might react to loss of milk supply and would need to use the same tools as the competitor trying to attract that milk.

It should be the Commerce Commission that oversees anti-competitive behaviour not DIRA.

As commented earlier the meat industry has had many niche manufacturers who, over time overpaid for supply and destroyed capacity. Even when they were successful the burden of reduced supply, eg. fewer sheep, usually fell on larger co-operative companies who needed to replace the plants, a capacity penalty exacerbated by excess capacity held by small processors.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No. Large Dairy Processors should hold and maintain their own milk supply base. The risk of seasonal fluctuations need to impact Fonterra and any DIRA supplied competitor equally and this will only occur when they maintain their own supply base.

When discussed further in 3.7 Fonterra has an unbalanced risk in supplying purchased regulated milk:

1. It must maintain tanker, staff, testing and rostering capacity to which it derives little benefit
2. Risk of farm contaminated milk hygiene or antibiotic substances, rests with Fonterra and the competitor insulated from this.
3. The competitor is able to subscribe milk tightly matched to its demand base. There is no need to hold supply in excess to its needs to insure against seasonal or weather based fluctuations.

Should the regulated competitor require a small supply of milk then a mutually determined milk price should prevail, not a regulated standard transfer price.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term “practically feasible” were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No. The original calculation was fraught with Fonterra's assumptions of industry cost and what a competitor might look like, either in scale or capacity,

The second iteration based on GDT prices and industry costs improved some aspects of the model. Fonterra successfully introduced the Milk Price Manual and the promises of transparency that that would be provided. If one were to accept that then the revenue prices would be more accurate but costs would be overstated because the smaller competitor processor should be less efficient than Fonterra due to scale and efficiencies. The transfer price would be too low and profit would be left on the table for the competitor buying regulated milk.

The current manual allows for off GDT sales to be included in the calculation thus increasing the transfer price. In fact so much of the data is Fonterra, it has also become the Fonterra Farm Gate Price.

We then get the anomalous situation where Fonterra's optional value add products, like cheese and casein, derived less income than commodity milk.

The principles of the Milk Price Manual seem simple but when fully implemented using GDT and off GDT prices, Fonterra costs and capacity investment assumptions, that should exclude policy effects (such as over capacity for optional) or FOREX derivatives etc. it becomes too complex and ridiculous for oversight by the Commerce Commission or even Fonterra's Milk Price Panel.

For the small pool of milk still available to regulated competitors the need for the Milk Price Manual and Milk Price Statement to oversee the transfer price adds little value.

The transfer price needs to be negotiated between willing seller and willing buyer. The sooner DIRA constraints are removed the sooner a free market behaviour can begin.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

As per my previous comments, I do not believe that there should be any regulated milk supply and the need for oversight is extinguished.

The sooner all processors secure their own supply the sooner that oversight can be removed.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

No. In the 18 years of the Goodman Federal DIRA relationship, GF has not shown any indication that it wants to or is preparing to establish its own milk super base, tanker fleet and supporting structures.

It has been in the interest not to have to deal with seasonal supply, winter milk and possible farm contamination of milk. Nor do they have to produce butter, cheese or other non fresh dairy commodity sold under its brand. The same as Foodstuffs or Progressive Enterprises rebranding Fonterra product under the own brands.

The domestic price of milk is strongly influenced by export milk prices.

It is in the interest of Fonterra to support New Zealand and milk prices and insulate our public from the vagrancies and fluctuations of export prices. There is huge resentment when NZ public has to pay the same price as export customers.

It should be noted that many studies confirm that roughly one third of the domestic product prices are returned to the producer (farmer), one third to the producer (GF or Fonterra) and one third to the retailer. For domestic prices to remain stable as indicated in the report, Fonterra has had to smooth out huge fluctuations in export prices.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

At 250m L tres GF requ res about 25 tanker oads of m k per day. Assum ng average oad ng of 3 tr ps per sh ft and 2 sh fts per day, a m n mum of 4 tankers and 1 reserve are requ red to create a feet capab e serv c ng the r needs. No free y ava ab e data on GF requ rements for butter cheese and non fresh products are ava ab e. Never the ess t s un ke y that t wou d be eff c ent for GF to commence manufacture and thus the NZ consumer s dependant of GF and Fonterra pay ng n ce y.

As an nterest ng sub-note. GF now market a range of Permeate free fresh m k products, open y cha eng ng Fonterra standard sed product. To do th s GF s se ng m k at ndustry average prote n content of about 3.70% 10% h gher than Fonterra product at 3.4%. Th s s n theory a 10% pr ce g veaway of M kso ds. That GF cont nues to do th s, rather than nsta capacty to extrac m k permeate from other m k to standard se ts own product shows that there s substant a prof t st to be made at cur ent t ansfer pr ces.

It shou d so be noted that other processors, such as Lew s Creamery, have been ab e to carve out the r own m k mark t and extract a pr ce prem um. Th s eve of serv ce s not susta nab e n a budget commod ty market dom nated by Own B ands.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

I be eve that DIRA has run ts course. There s a sma ndustry nvo ved n ensur ng that t endures be t staff at Fonterra tse f, ndustry compet tors (a d m n sh ng membersh p as they are weaned off DIRA m k) a d government staff.

After 18 years t s un ke y that the dr vers that created DIRA cont nue to be a e eva t.

I be eve DIRA need to be d sestab shed.

I favour opt on 2 and repea DIRA.

W th DIRA repea ed Fonterra becomes free to mp ement opt on 3 w th ut regu atory superv s on.

MPI can through ts NZCP1 ensure that a farm da res mo e to a un versa ndustry standard and does not depend on DIRA.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

N/A. I am a frm be ever n the concept of a m mber co-operat ve. The va ue of my shareho d ng s not a major cons derat on as I am not an act ve trader.

I do not be eve that the nvestme t commun y tru y va ues or understand Fonterra Co-operat ve share or the secur ty of know ng that the company has my (member & shareho der) nterests at heart. That I can e ect or remove d rectors and have a true say n the behav our and dest ny on my company.

Shou d my m k go to a t e vestor processor I can never be sure that my m k w be co ected, that the max mum va ue of my m k s returned to me, e ther as m k pr ce or d v dend.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

I be eve opt on 2: Repea DIRA s the most eff c ent and effect ve mechan sm. There have been a sma number of except ons, Fonterra s genera y a respons b e corporate ct zen.

The rsk of poor behav our w s gn f cant y restr ct Fonterra member's r ght to farm. As a member I wou d protest any behav our that jeopard zes my r ght to farm.

Hav ng sa d that, Fonterra has to just fy to me why I want to be a member and ho d shares n the fu va ue cha n rather than supp y a company for the m k pr ce on y.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Opt on 2: Repeat the act in tota .

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Firstly define Large Dairy Processor?

A typical entry level dryer is about 8 ton/hr or 400m L/yr. Therefore a manufacturer like GF at 250mL/yr, which is significant, is a small processor.

It seems to me to be very inefficient to provide regulated milk to processors utilising less than 50mL/yr (250kL peak day equivalent).

At this level and below, a negotiated, winning seller/winning buyer should be the mechanism should suffice.

If competitors require a lesser amount that needs to be from own supply or negotiated with Fonterra or any other processor, eg. Open Country Dairies.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

30mL approximates to 150kL/peak day equivalent. Therefore milk supplied to these processors, based on the grass milk curve, equates to 200 Peak Day Equivalent and roughly 305 production days.

It also equates to 21,000 kg WMP, 2.5 hours for an entry level dryer. Thus 30mL will exclude some powder production and require the processor to consider much higher value products.

This is a level of milk collection that can justify running 2-3 milk trucks at peak and therefore own milk supply.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

None.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

30mL equate to 2.67m kg MS or roughly \$16m in milk value. How much time will the regulatory authority spend in regulating breaches and how much benefit will be applied?

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

A simple arrangement between winning seller and winning buyer. Imposing a regulated price will inevitably cause problems, especially in a economic environment where milk value fluctuates considerably.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

The current milk price is denominated by Milk solids/kg. Traditionally in other markets it could be denominated by Fat or Volume. These are no longer used in a manufacturing environment due to significant biases created by the unit of measurement. Prior to 1980 NZ used Fat only and generally migrated to Milk solids in 1981 (an arbitrary unit encapsulating Fat & Protein). At that time Lactose was considered a low value by-product or even a waste product. It served a marginal role in milk powder manufacture especially as only the Fat:Protein ratio could be adjusted. Many powder specifications were needed to accommodate the variable ratio of Lactose to Milk solids as a season progressed. After 1996, the manufacturing OCDEX rules were changed and Lactose could be added to milk allowing the Lactose to Milk solids ratio to be fixed and reduced the number of manufacturing specifications and making consistent product a year round. The treatment of Lactose in the Fonterra Milk Price Manual suggests that it has a significant role in value creation. Only Syntact includes a farmgate payment for Lactose. The Animate Evaluation Model run by DairyNZ interprets the Farmgate milk price fairly and ignores Lactose value needed in manufacture but heavily penalises the evaluation leading to NZ breadng Lactose out of Milk solids supply even though it is actively needed in manufacture. I would like to see the Milk Price Manual and Milk Price Statement abolished, should it need to be retained the valuation mechanism needs to separate out Fat, Protein and Lactose & Minerals.

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

The current situation where the DIRA base milk price is effectively Fonterra's base payout. Simply a new competitor has to be more efficient than Fonterra or produce a higher value product to extract value from DIRA milk.

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

In my view the amount of milk involved in DIRA supply is so small that regulatory oversight is an extravagance. There would need to be 5 new competitors (@ 50mL) and GF (@250mL) just to get 0.5bL annually. At \$6.00/kg MS this equates to \$267m. How much effort would need to be exerted by the regulator, how accurate would the estimates be and how much would the base price change?

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Willing seller/willing buyer and normal commercial conditions. Again, if DIRA is repeated then this becomes an academic query.

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Smaller processors, and in particular GF should be encouraged to secure their own milk supply.

The current arrangement insulates competitors from seasonal peak flows, winter milk supply issues, tanker fleets and driver rostering. Quality monitoring is provided by Fonterra and insulates competitors from potential on farm contaminated milk. Fresh milk sales has potential the highest profit margin of any milk use followed by product made from fresh milk (eg, yogurts, dairy desserts and ice creams).

By design GF gets access to the NZ markets for those products and potential could take farmer supply directly from Fonterra. However the convenience of DIRM milk removes any incentive to secure their own supply.

Other successful smaller began as single farmer enterprises and may have expanded by obtaining supply from nearby farms.

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

For us the opportunities, however suppliers close to these plants could command a price premium above DIRM base because these specialty processors have higher margins than Fonterra producing commodity products.

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Why should there be any regulatory behaviour at all. Brands like Lew's Milk and Appley Farms have established themselves and should they need to expand they would need specialty supply (A2 Jersey type milks) which would create supply issues for Fonterra. Further, why is Fonterra the only company required to supply DIRM milk. OCD and West and Dairy or even Tatua have the potential to supply milk to smaller processors.

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Competitors secure their own supply. They must have the business case to commence the activity and resources to secure their own milk.

With many external pressures to hold or even reduce milk supply in NZ, there has to be a good business case for more or new stainless steel especially for making standard commodity products.

Good regulatory controls could consider the benefits of not allowing new capacity.

It is seductive to allow overseas investment in New Zealand especially when NZ established companies have fallen short in capacity saturation (Synlait). Overseas capacity also means profits being exported along with products.

If the regulator really wants to monitor, it must also follow the money and ensure that the transfer price from NZ to the overseas content is at the correct market price and ensuring that profits are taxed in NZ.

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

The current measure is a crude instrument and fails for many reasons.

There are areas in NZ where Fonterra is the only processor present and therefore will have 100% of supply. And conversely an area like West and its serviced predominately by West and Milk and therefore Fonterra will have near 0% penetration.

A measure should be taken on supply where farms are in areas that are/can be serviced by 2 or more companies.

Fonterra has been able to attract a fair share of new milk and some leakage of old milk. This indicates that members want to be part of the co-operative and confirm this with acquiring shares. This influence indicates that comparing Fonterra, the co-operative with Competitor the company is flawed and there cannot be a measure on Dominance when in fact it is loyalty.

Should we legislate that people not follow the AB backs and not be happy until 30% support other teams?

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

DIRA should be repealed ASAP. DIRA is a distraction to Fonterra and its members. If rules are to be imposed on Fonterra, such as environmental standards, then they should be applied to all other companies as well. Notwithstanding Fonterra and other industry bodies are working closely to ensure that our farming practices are getting better.

We should not muddle RMA and environmental issues with rules around competition.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

I am a loyal Fonterra supporter, even though I have issues around milk pricing. There is little that DIRA and government regulation is going to impact me as a Fonterra member unless it imposes ridiculous rules and continued distraction from business as usual.

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

WE have had 18 years of good regulatory oversight and yet we continue to procrastinate being repealed. Within another 2, 5 or 15 years make any effective change that has not already been accomplished or be materially different to what we have done.

It is time for DIRA to be repealed

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

That Fonterra supplies DIRA milk to any competitor who currently has a right. That no further DIRA milk be made available. That Fonterra is able to accept and or reject supply under its own commercial terms of supply.

The RMA and Commerce Commission has adequate oversight and DIRA is repealed.

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Regulatory intervention is not the universal panacea to drive behaviour or support bad business practice.

The use of regulation, subsidies and rules to drive economic activity means that someone (else) is paying. Business needs to be driven by strong (real) economic incentives.

The supply of DIRA makes effective asks Fonterra to subsidize potential competitors' markets of manufacturing strength.

To suggest that foreign capital will always open doors to new markets may have some merit but may also close that market to a strong manufacturer.

New Zealand is never likely to see a strong car manufacturing industry or a fabrication industry for electronic chips. Should it be compelled to subsidize a fabrication plant in NZ?

Please consider the impact of subsidizing through DIRA makes uneconomical stainless steel plants and who will need to meet the costs of retiring that plant, especially if the availability of milk decreases in NZ. We do not need Government covering poor economic outcomes.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

#43

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, January 22, 2019 6:57:39 PM
Last Modified: Tuesday, January 22, 2019 9:17:21 PM
Time Spent: 02:19:41
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit. **I wish to submit on all sections**

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

No. It was never valid. Why is the government interfering in the open market. No other industry has this put on them. The worst is that we have to give this to overseas owned factories, so much to protecting NZ businesses

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

The Farmers are over a under so much stress, check the suicide rate. DIRA is adding to it

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

No. It just gave other companies an advantage and made it harder for Fonterra farmers. It was never needed, Fonterra always managed their own business and DIRA made them responsible for other companies, how far is this? It also made it possible that foreign companies took away from NZ farmers.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No, all factories have their own market. All Farmers are struggling, whoever they supply.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes, it makes them giving our milk to other factories, which is a big issue in packaging and takes away money from Fonterra farmers and this is dictated by the government approving.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

What effect veness? To take from a b g bus ness to he p a sma bus ness? If th s wou d be done n a bus ness sect on the outcry wou d be enormous, so why s th s done to Fonterra, a Farmer owned co op?

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

There shou d be regu atory too s n a bus ness sectors or none. So stop s ng ng out one ndustry. App y t to a or none. Ther s dom nance n many ndustr es, funny that just Fonterra and the d ary ndustry s targeted.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Just get r te of t s not fa r

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

I d d over grow. Many factor es popped up tak ng farmers, who cou d not rea y afford to go farm ng, buy ng cheap farms not su tab e for da ry ng. A ot went under, 2 I know of k ed themse ves. So yes th ndustry d d grow through DIRA, but not n a good way. Now we have too many factor es, to many farmers and we are not any more susta nab e. So good job DIRA

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

No, we are se ng at the wor d market and Fonterra has to work t as anybody e se. So f Fonterra wou d be ab e to do so, so s anybody e se

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

We are hav ng a free wor d market, where everybody p ays under the same ru es. W th you putt ng DIRA on one s ng e company, you tak ng away the eve p ay ng f e d and pun sh Fonterra and there farmers, how can th s be fa r.

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

The m k pr ce s d ctated by the wor d market and nterfer ng w th th s s wrong and pure aroganz

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Fonterra made a lot of bad management decisions. DIRA is hindering the refulpotent and planning. To know that they have to give me k at any time to other factors, makes it difficult. Fonterra is driven by doing the best for their farmers, not a ways successful, but with the only company who has DIRA hanging over their head, they try hard

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

It has a negative impact on the environment. As stated before, with bringing DIRA in, factors popped up everywhere. Land got converted which was never suitable for Dairy. Now we have to many factors and Farms, which put a huge strain on the environment. So good job

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Of course DIRA is bad enough and how many regimes do you need, specify taken into account that over the last 20 years the dairy industry cleaned up there act anyway in spending billions in improvements. When we arrived here 25 years ago our creek was green. Now we have trout in it and you can swim in it.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Reduce use of nitrates, we cleaned up our act and maybe now it's time that the urban sector does the same. Go and check out the government website about the state of our rivers. Nearly all rural rivers are clean and swimmable, the same you can't say about our urban rivers and beaches. Nearly all dirty and not swimmable. Figure that, but we dairy farmers are the big polluters

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

In any industry, the starting point is hard. No other starting up company is getting a hand up like DIRA and quite frankly shouldn't. It is a hard business and if you can not do it without DIRA you simply should not do it. You did the damage already, so it's about time to stop it and let the industry alone. We have enough factors and farms and any factory who start up now, should not do it on Fonterra's farmers back

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No, all dairy processors became successful on Fonterra's back, it's about time that they stand on their own feet. DIRA is a disastorship.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term “practically feasible” were to be provided for in the DIRA? Please provide detailed comment in support of your views.

The milk price is dictated by the world market. Stop interfering. Are you doing anything other industries? Appalling

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Nothing to do with anybody. Leave it alone

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

No, the world market standard states the prices here. DIRA had no impact on this, dairy products are still expensive.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Take the GST of food

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

We pe DIRA and let everybody have the same options. Stop giving advantages to other, often overseas companies, you are hurting our farmers.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

We are losing out, because you are putting rocks in front of Fonterra, which give other companies an advantage.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

No more DIRA equals a fair even playing field for everybody.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

None stop punishing one company, because they are successful.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Why do we need one. we have a free market and just because one company is bigger than the others, they should not be punished. Makes no sense and must be unique to NZ. Seems to be just in the Dairy industry. Never heard that Carter Holdings or any other big company has to give to their smaller competitor.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

0, Agree NO DIRA

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

NO DIRA

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Are we living in a dictatorship, where is our free market

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

NONE access, I stated it before

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

NO DIRA

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

No DIRA

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

None of your business free market

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

NO DIRA

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No access

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

NO DIRA

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

NO DIRA

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Do you want to punish anyone who dominates the market? It seems like it's just Fonterra. No industry has it, there will be a way for somebody who dominates the market. Put DIRA on a shelf and see how far you get, it's not even a question. I am sure Coca-Cola or Apple would be very happy to have DIRA. What a lot of business.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Just stop being dictators and get rid of it

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Not at all NO DIRA

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Cut to

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

I am appalled by the dictatorship in NZ. How can it be legal to single out one company and dictate that they have to give milk to other companies and help them to get successful. It's not happening in any other industry and nowhere else in the world. Shame on you

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

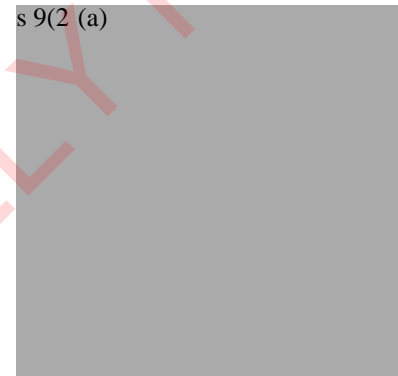
Address line 2

City/Town

Email Address

Phone Number

s 9(2) (a)



#45

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, January 23, 2019 1:28:06 PM
Last Modified: Wednesday, January 23, 2019 3:30:57 PM
Time Spent: 02:02:51
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

,

Section 3.2: Does the DIRA encourage industry growth?

,

Section 3.4: Does the DIRA impact on the industry's environmental performance?

,

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

,

Section 3.7: Does the DIRA support competition in New Zealand consumer dairy markets?

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

,

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

,

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

It has achieved this in the areas that competitors are prepared to set up (south and Canterbury and Waikato region). Fonterra may over the whole country be still the dominant player but only because they are prepared to go into uneconomical areas to collect milk.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

At a national level it is still dominant but not in all regions.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

By allowing competitors to selectively target areas it has increased the cost of collecting milk from outside these areas, this can only be offset by charging a transport differential to farmers who don't have the benefit of competition, so either Fonterra wears the cost and spreads across supply base (co-operative mode) or a few select farmers in remote areas who already have challenges imposed because of isolation.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

The cost to Fonterra can be mitigated by a targeted levy, but then it is picked up by the farmers who have no choice and can be demonstrated against. This one reason the co-operative mode works for the whole country, but can be destroyed by anti-co-operative people.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

New Zealand and politics being on free trade, but not when it comes to our own backyard, go figure.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Price off dairy will always drive growth

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

As long as Fonterra doesn't have to pick up milk until any new suppliers at the level imposed on a Fonterra farmers but consideration should also be placed on public perspective eg Mackenzie country

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No current Milk prices very transparent and set by real values obtained from an international auction on core products

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No, Can't be more transparent than current system

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

The ability to provide domestic milk has been available to all processors, but most of the larger ones are obviously making more money exporting, which has not been to the benefit of New Zealand and, in fact, price would state competition

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Should all larger processors be required to supply local markets with product, this would be fairer to the farmer who works hard to provide a quality product

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

There s enough processors n key areas (Wa kato and Canterbury)for anyo e who wou d ke to supp y m k to domest c market to have access to

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Ok

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Goodman Fielder have made no honest attempt to secure their own supply and have relied on the DIRA regulations to provide them with the milk they require based on the fact that the consumer will always be top priority for the DIRA regulation, there are now adequate supply options for them to access milk

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

We are there now with very well established milk processors who don't require DIRA milk, processors are not going to set up in areas that are uneconomical, so would argue that the mandatory regions have adequate competition

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

4.5.4 option

DIRA has resulted in Fonterra's loss of dominance in major dairy areas

DIRA has proved to be not good for New Zealand and in line with a lot of bigger processors now owned by overseas company's which add value in those countries not NZ, we are losing control of our milk to overseas competition by giving them a helping hand at NZ farmers cost

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Do what's right by a NZ dairy farming families and communities, this is more about them than milk processors, especially the overseas owned processors

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Address

C ty/Town

Ema Address

Phone Number

s 9(2)(a)



PROACTIVELY RELEASED

#48

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, January 24, 2019 9:46:54 AM
Last Modified: Thursday, January 24, 2019 10:24:59 AM
Time Spent: 00:38:04
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

I think that the dairy industry is a dynamic one, therefore this review is timely. Some of the rationale is still valid where other parts are not

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

I think that when Fonterra is spoken about it is often as if it is a corporate and the fact that any changes in the dynamic directly affect the 10,000 shareholder farmers, most of whom have substantial debt and in our case are still paying interest on it

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes to a large extent and I agree that there needed to be some sort of regulation put in place

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Strictly yes on a national level. South Island is less so than the North

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes due to the open entry. There are huge amounts of Fonterra Farmers money having to be used to make and maintain standards on a "maybe needed" basis and the real potential in the future of having to deal with stranded assets.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Yes for Fonterra to have more choice as to who they collect from. I think that there needs to be criteria in place to allow this. E.g. if the farmer does not meet an environmental standard regarding effluent discharge, riparian planting etc. There is reputational risk here as so.

I also think that Fonterra farmers that leave should only be able to have open re-entry once. Again there is a cost to those farmers that stay with Fonterra each time a farmer leaves as to share of costs and the impact of capital washing in and out

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

yes back at inception of DIRA

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

yes, however no different to any other industry

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

dominance of the two large supermarkets in NZ on many everyday consumer goods

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

no

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Global events and market prices to a larger degree

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Yes definitely, an unintended consequence of both global markets and to a lesser extent DIRA

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

The RMA is not perfect and has many gaps that are able to be made use of. Monitoring and prosecution of offenders is a so problematic and too expensive. Local Government fines need to be able to be much much higher to act as a sufficient deterrent. So in answer to the question on if the RMA is strengthened. Would tend not to agree with using DIRA as an Environmental tool especially on a support role

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

On the ability for Fonterra to not have to accept supply on environmental grounds

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Yes as achieved its purpose, not needed any longer

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Not if they are foreign owned and are exporting. There is a cost here to all New Zealanders and Fonterra Farmers with profits going offshore and the competition for NZ owned processors in the global market place

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No. The milk price model is fit for purpose. there has been good and robust guidance and oversight from the Commerce Commission over the years and precedents set.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Definitely not. This would be far too regulated and not healthy for the industry. I do think that there needs to be transparency throughout the whole industry so that farmers and others can compare apples with apples when making decisions

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

most y

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

There s an unfar cost to Fonterra Farmers n on y us ng the the farm gate m k pr ce as t does not ref ect the tota pr ce of k product on and shareho d ng n Fonterra

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

a prev ou sy g ven

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these

I wo d ke to see th s prov s on ceased

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Status quo for Fonterra, more transparency required from all others

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Yes a true price paid. e.g. farm gate milk price plus 10-20c

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

I think there should be several measures used. e.g. numbers of farms, amount invested, net assets etc.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

I think that a review period is a good idea. I would suggest that 5 years is too long as the industry is so dynamic.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

On y to keep n m nd that as have sa d Fonterra s made up of predom nant y farmer shareho ders that have arge debt and any changes to DIRA have a d rect m pact on the r ve hoods

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address ne 2

C ty/Town

Ema Address

Phone Number

s 9(2)(a)



#50

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, January 24, 2019 11:20:07 AM
Last Modified: Thursday, January 24, 2019 12:53:33 PM
Time Spent: 01:33:25
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit. **I wish to submit on all sections**

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Anything that attempts to control a monopoly corporate is good. Better is not to have the monopoly corporate in the first place.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

The Fonterra share structure and corporate performance. Allowing Fonterra to do as it pleases has resulted in a national embarrassment not championed.

It dictates the national milk price paid to farmers including that paid by the so-called competition.

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

No idea

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Totally. They completely dictate what a farmer's payouts will be, including that paid to farmers supplying corporates. The one exception is Tatua and Westland.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Fonterra's costs are out of control. What this imposes is probably not more than a drop in the bucket of the massive waste of our money that is the norm.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

there's a ways a way .

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Get a s ng e market ng da ry off ce for the who e country. Sp t fonterra up nto sma er co ops.

Q9 Are there other factors you consider need to be taken into account when considering the effect veness of the DIRA regime and whether it is still needed?

Fonterra s an out of contro corporate pretend ng to be a Co op. We the shareho ders have very ttle f ence over what happens at head off ce. It has now been proven that Fonterra s a fa ed exper ment. If you are determ ned to keep t the more regu at on the better.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Does t? There's been no ndustry growth n the Wa kato. Just one "me to " processor who does a s ght y better job of produc ng more or ess the same products as Fonterra.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

there's a who e ot more to t than that. Spend up b g on a farm you've got to supp y as much as you can. Geared to h gh product on you keep go ng. Long term (5 yea s) maybe. The ow payout s a ways a b p. Farmers don't know the facts because noone g ves them any. Les or s ence f om Fonterra so you keep do ng what you were do ng because t a ways comes r ght?

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Fonterra acts ke an out of contro corporate. Its not democrat c and on y cons ders ts shareho ders when t gets rea y bad. Not a shareho de on y the arge ones.

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

they don't m nd dev at ng or dream ng up a new strategy any other t me

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Ego stroked by the avarice of consultants, lawyers and other fee chargers and percentage takers.

Lack of directors basic commercial nous, and on y m nor/ temporary connection to the industry theyre supposed to be shepherding.

Adoption of any business fad and comparisons with other large corporates shows a lack of spine. NZ dairy sn't like other big businesses and needs to be done differently.

Lack of empathy from directors for the shareholders they are supposed to be representing.

Head office capture.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Probably. The environmental witchhunt we face is grossly exacerbated by the move into non dairy ng areas. Was this move a result of DIRA?

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

no deal

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Someone needs to deal to the councils. There are so many environmental issues without massive costs and blame being heaped on farmers. The incompetence of farming organisations not coming up with anything sensible as a disgrace

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Don't know

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Yes

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

It's a ridiculous statement that there's a formula at all. Fonterra just ignores it anyway when it suits. If it was a real co-op it wouldn't be necessary

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Much better in theory. Fonterra is incapable of making honest decisions.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Domestic milk prices are excessively high. So no it hasn't worked. 2 sectors aren't competing, it's a cosy little arrangement.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Get prices down.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Fonterra doesn't work. That's obvious. If you insist on keeping it, anything that restricts the proven ability to do the wrong things is good.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

We borrow so much money on every marginable footy what difference does this make. Proper governance of the nuts and bolts of the business would see such a large increase in payout the costs of this wouldn't matter.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

There's nothing good about Fonterra. Anything restricting them is good.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Preference given to new Co-ops

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these. **Respondent skipped this question**

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Preferent a treatment g ven to any new Co op

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

S ng e market ng arm for NZ da ry. Farmers get pa d what the product se s for.

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

None. We wou dn't even know. fonterra s such a stager ng y, neff c ent, f atfooted, unenterpr s ng , wastfu ent ty 100s of m ons get ost w thout trace.

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

as above

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

There shou dn't be on y 1 or s t 2 processors n the frst p ace. sort t out

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

None . as above

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Get r d of the Fonterra monopo y

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

the overa nf uence on rea everyday ssues to o w th da ry farm own ng.

Reth nk the who e Fonterra th ng. Come up w th a rea so ut on and Fonterra's monopo y s gone t's not such a b g ssue

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

As above

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

The displayed incompetence of Fonterra and the indifference to shareholders. The affect of Fonterra's corporate tick behaviour on public opinion firstly on themselves and by association farmers. The affect of Fonterra's behaviour on the public's attitude to dairy products and environment issues.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

s 9(2)(a)

Company

Email Address

#51

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, January 24, 2019 11:45:21 AM
Last Modified: Thursday, January 24, 2019 1:56:06 PM
Time Spent: 02:10:45
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

,

Section 3.2: Does the DIRA encourage industry growth?

,

Section 3.3: Does the DIRA influence Fonterra's strategy?

,

Section 3.5: Does the DIRA incentivise inefficient entry by large processors?

,

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

,

Section 4.1: Options for DIRA open entry requirements

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

,

Section 4.3: Options for the base milk price calculation

,

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

yes

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

no

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

yes. Fonterra has to pay for additional capacity to allow for suppliers who may return to Fonterra and they must take them, even if the supplier does not meet Fonterra's standard.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

no

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Yes. The free market (not a regulatory tool) will sort out who is efficient enough to survive without subsidies.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

probably not

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Generally yes. But DIRA has achieved that now and continuing to stifle Fonterra with regulations will lead to industry overcapacity and inefficiency.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

No. Milk supply volumes are dictated mainly by the weather and the payout. Fonterra can't afford to pay less to drive volumes down, they'll lose supply if they did.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

The reason why volumes drop when the payout goes down is because farmers watch the real cost of production vs the real expected return.

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

No. Fonterra knows what milk is worth at any given time and will pay for it accordingly.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

I would hope that it's been driven by expected market trends.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Generally yes

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No. In some areas, Nat on a y, Fonterra s approx 82% of supply, n some areas be ow that. We w soon see cobwebs over Fonterra da ry process ng p ants n order to p acate overseas owned compan es. Farmers w have to take what they are offered by corporates and prof ts w d sappear overseas.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

no. the m k pr ce reg me s f ne as t s.

Q21 Do you consider that the base milk price should be set by an independent body (e.g. the Commerce Commission)? If so, please provide supporting information.

no

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

no

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

m n ma . We a ready meet Fonterra str ngent standards.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Put enough bureaucrats on the job and they' each perform just f ne. Fonterra farmers w p ck up the tab. No prob em

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Repeat. There's plenty of competition out there.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Yes. Large dairy processors could run a fleet of tankers, allow for the seasonal milk curve and allow the rest of the drama that comes with running a large dairy processing plant, and the whole knowing that if you get it wrong, tomorrow there will be another wave of milk coming in.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

too high. see previous answer.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Either way, when milk is going out of Fonterra plants at cost, Fonterra farmers are denied the opportunity of profit from that milk.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

They will perform just fine. What worries me is how they will perform against the principle of my bottom line being in positive territory

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

no

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

no

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible. Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

4.3.1 s work ng f ne

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Where one company (Fonterra) s been st f ed by regu at on wh e others that t s subs d s ng are grow ng and captur ng m k supply n key areas

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

no

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

4.5.2

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

What confidence can farmers have that the goals will not continuously be shifted as far as DIRA is concerned? We entered into this thing in good faith and it's becoming a threat to our future success and NZ's prosperity. Is Fonterra being set up to fail?

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Address

City/Town

Email Address

Phone Number

s 9(2)(a)

#63

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, January 29, 2019 3:53:12 PM
Last Modified: Tuesday, January 29, 2019 4:48:33 PM
Time Spent: 00:55:20
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Yes

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

NO

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Yes

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

No

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

The cost of Fonterra or any dairy company having to monitor its supplier's to ensure they are complying to national and regional environmental standards is a responsibility and cost that should not be the processors' issue. It is the responsibility of farmer and local/regional council.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

No

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

The Milk pricing model should be independent of all processors and marketers of dairy products. The government should assign an independent body/panel to inform the market (farmers and processors) of what the national milk prices are on a monthly basis. Currently all processors and farmers wait for Fonterra to set the market value.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Yes

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Yes

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views

Fonterra has always had the ability to implement a transport charge for milk delivered. I have questioned Fonterra directors for 17 years on this issue. They eventually responded by saying that they wanted a level playing field. The loss of supply for Fonterra in low transport cost areas and addition of suppliers to Fonterra with a high cost of delivery has been and is completely at the retailer's expense.

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

NO

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

No No farm environmental issues should not be the concern of any processor. The issues both nationally and regionally should be that of the land owner

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Yes

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Yes

Until recent (late 2018) Fonterra has always stated that its forecast milk price is in line with DIRA. This would appear to be correct, but they have always had the right to be more forthcoming in providing suppliers more timely market updates. This information is crucial to supplier/farmer in making timely changes to on-farm expenditure. Given the volatility in international milk prices I believe market guidance on price would be better supported by an independent body.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

None

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Leave DIRA as is.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Right eve

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

None

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

An independent body overseen by government.

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Have the Commerce commissions provide the government with an annual update on "market dominance".

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

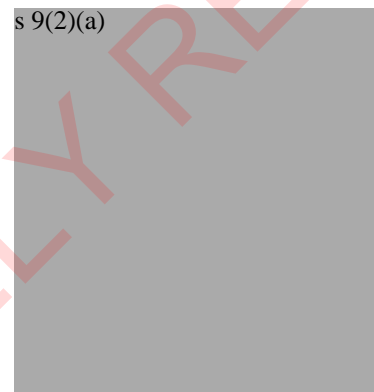
Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)



#71

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, January 30, 2019 11:41:35 AM
Last Modified: Wednesday, January 30, 2019 12:42:36 PM
Time Spent: 01:01:00
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit. **I wish to submit on all sections**

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

No

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence. **Respondent skipped this question**

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Yes

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes, when Fonterra has to pick up milk from places that are so far away, and few or no other farms in between it does not make any economic sense for a dairy farm to be there.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Have a different stance from processing tests in which it is sensible to pick up from.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

The overseas competition. It is old fashioned and out dated, would you make a Law Firm employ every lawyer who came out of law school in NZ no matter what...

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Does the industry need more growth, not at the sacrifice of the land... We should be encouraging more sustainable and better quality farming practice on existing farms, not turning MacKenzie country into high input farms, why should we be forced into accepting that and degrading the image of NZ. Fonterra is always going to accept farmers make where it is a sensible place to farm, for a profit to both farmer and the Farmers (co-op) as a whole.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

For the benefit of consumers.

For the benefit of Farmers.

For the benefit of NZ economy.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Yes;

Amend the DIRA open entry requirements to allow Fonterra to decide to accept applications from new and existing farmers if Fonterra considers their supply is unique to compete with Fonterra's terms of supply. - A must!

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

yes

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No, I think Fonterra has highly skilled staff, probably the best in the country, to work this out for the best solution for the coop and country.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Open entry should not be considered.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

-

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Terms of supply would have to get harder to comply with, which could affect current farmers, but may just have to be the way

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

OPTION 4.1: AMEND THE DIRA OPEN ENTRY REQUIREMENTS TO ALLOW FONTERRA TO DECLINE TO ACCEPT APPLICATIONS FROM NEW AND EXISTING FARMERS IF FONTERRA CONSIDERS THEIR SUPPLY IS UNLIKELY TO COMPLY WITH FONTERRA'S TERMS OF SUPPLY

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

If Fonterra can Value add on the supply then they should come first, and any " leftover" milk should be sold.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Fonterra should decide what it is set at.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Let Fonterra work it out themselves.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

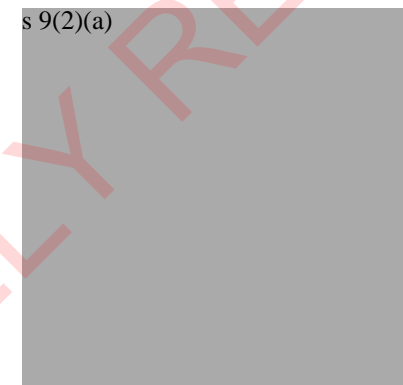
Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)



#74

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, January 30, 2019 12:33:49 PM
Last Modified: Wednesday, January 30, 2019 1:58:34 PM
Time Spent: 01:24:44
IP Address: 192.168.1.1

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

Section 3.7: Does the DIRA support competition in New Zealand consumer dairy markets?

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

It has been very effective in creating competition but now it seems to be less than healthy for Fonterra shareholders as the smaller companies take supply in the easy collection areas and get top ups from Fonterra.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

I think Fonterra has ample competition in my area, my neighbours supply OCD who are by a accounts unable to accept a new supply the new factories are up and running and Syna are looking for local supply. There are also a few other new entrants in the greater Waikato/Auckland area.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

It's becoming apparent that Fonterra being required to hold capacity for open entry is a financial liability for the Co-op. It's apparent that multi-nationals can source Fonterra milk through the other companies while competing with Fonterra in the market place. That's an own goal for NZ.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Remove open entry and the requirement to provide milk at cost. Every time I drive past Tātua there's an OCD tanker on site yet in the application OCD are obviously looking for milk FROM Fonterra and at a lower price. Long term this will not benefit any New Zealand farmer or the country as a whole and it will cripple the Co-op and the farmer owners.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

I would only be happy with this as an option if Fonterra wasn't supplying milk to other companies.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

As they are considered large I would prefer they sourced their own milk. They seem to be models of financial success where Fonterra struggles, maybe let them stand on their own two feet.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

#75

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, January 30, 2019 1:49:57 PM
Last Modified: Wednesday, January 30, 2019 2:35:04 PM
Time Spent: 00:45:06
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

,

Section 3.2: Does the DIRA encourage industry growth?

,

Section 3.3: Does the DIRA influence Fonterra's strategy?

,

Section 3.4: Does the DIRA impact on the industry's environmental performance?

,

Section 3.5: Does the DIRA incentivise inefficient entry by large processors?

,

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

,

Section 3.7: Does the DIRA support competition in New Zealand consumer dairy markets?

,

Section 4.1: Options for DIRA open entry requirements

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

,

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

,

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes it has

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

no

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes. The requirement to take a milk has meant more processing cost and has had an environmental impact and resulted in a poor perception of Fonterra.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Fonterra's requirement to supply milk to foreign owned companies.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

No. The industry has x amount of dairy farms and more are not needed. Internal developments needed but not at the expense of NZ inc.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

No. There are much greater influences than Price.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views. Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

NO

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

International environmental and social pressure and endless regulatory requirements

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Yes

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means? Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

No.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No. Because DIRA is a subsidy for foreign investors who have way more money than local competition

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

no

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

If they want to. But the current system is fine

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

yes

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Goodman Feder should be encouraged to find their own suppliers

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

none

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Poor y

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

m k on y supp ed to NZ nc compan es

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Its f ne

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

none

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Poor y

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

NZ on y

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

They need to be encouraged to find their own suppliers

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Currently supply Winter milk from my farm in the Auckland area and I believe I should be supplying the local fresh milk market.

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes transparency, cost-effectiveness and timeliness of regulatory processes?

We

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Address

City/Town

Email Address

Phone Number

s 9(2)(a)

#77

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, January 30, 2019 1:56:20 PM
Last Modified: Wednesday, January 30, 2019 3:22:33 PM
Time Spent: 01:26:13
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

The original policy rationale is no longer valid.

Now that 20% of the dairy industry is non Fonterra. A lot of that 20% is foreign owned

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes but no longer relevant

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No

It is the big payer however there are now smaller companies that suppliers can change to.

Prior to the formation of Fonterra there were a small number of suppliers that regularly changed companies. The opportunity to do this is again possible.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

It's certainly a distraction.

Because Fonterra has to pick up the milk from new suppliers there has been no opportunity to refuse collection because of location/distance to factory. Economics of new supply questionable.

Of more concern is the environmental impact of some new supply. Especially the development in central Otago on porous soils reliant on irrigation.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

The NZ internal dairy consumption is a very small part of Fonterra's business. DIRA is like using a sledge hammer as a flyswatter.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

The growth of the NZ dairy industry was due to a combination of suitable land and world dairy prices, not DIRA. There is now limited suitable land left that could be converted.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price notwithstanding the DIRA open entry requirements?

The milk price is driven by international dairy demand not Fonterra.

While Fonterra is a major exporter of dairy products in the world in terms of overall dairy production it's small.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

World demand

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

DIRA has impacted on the industry's environmental performance.
The development of irrigated supply is very porous so this is a major concern. Eg
The future environmental effect of dairy in central Otago is yet to occur

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

No
That's passing the buck
DIRA has encouraged the development of dairy in environmentally sensitive areas

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Agree that no longer required

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No
The large processors are in direct competition with Fonterra. The capacity for these processors comes from offshore which is where the financial profits also go. NZ misses out

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term “practically feasible” were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No way

Very sensitive information could easily be made available to competitors

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views. Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

The fact that Goodman Federal have not developed their own supply indicates that the guaranteed supply of Fonterra makes a very attractive option for them.

A Fonterra subsidiary?

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these. Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible. Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes? Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Repeat the open entry requirements

The opportunity for Fonterra to refuse an application because it MAY not meet the Fonterra terms and conditions of supply could be messy and result in drawn out legal challenges

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Large dairy processors are in direct competition with Fonterra and the profits remain offshore

There are 20% of NZ farmers supplying companies other than Fonterra

We need to protect Fonterra from following in the footsteps of the former Australian dairy cooperatives

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

0 litres

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

No regulated milk

Fonterra needs NZ support and NZ needs Fonterra to perform

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible. Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes? Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Status quo

Above a do not et the commerce comm ss on set the m k pr ce

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these. Responden skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible. Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes? Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

The current regu at ons and pr c ng must be very attract ve to GF otherw se they wou d have deve oped the r own supp y base

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Fonterra a so needs protect on

Otherw se cou d become another da ry company stat st c ke the former Austra an cooperat ves and now poss b y West and n NZ

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review

Name

Company

Address

Address ne 2

C ty/Town

Ema Address

Phone Number

s 9(2)(a)

#83

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, January 30, 2019 3:58:06 PM
Last Modified: Wednesday, January 30, 2019 4:53:22 PM
Time Spent: 00:55:16
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

DIRA had a good purpose n t a y when Fonterra was formed w th such dom nance of the NZ market. W th the great numbers of changes and new process ng entrants, the or g na DIRA framework needs adju t ng to etter meet the needs of the current NZ market.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to c eate barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes, as growth has st been ab e to occur s nce 2001.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No, not a reg ons. We have a cho ce of three d fferent m k tankers pass ng our gate.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes - Fonterra has to have capacity to process any milk that meets its supply conditions. Can cause overhead costs important and people for Fonterra to carry in the short term.

DIRA also means regulated milk that is supplied to other processors is supplied at cost, with no opportunity to make a profit on that portion of the milk. This appears as an effective subsidy to Fonterra competitors, who are often then processing into higher value products with higher returns, for export, in a company backed by foreign ownership.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Removal of open entry and exit to Fonterra, to allow a more balanced and predictable volume of pasture available for processing of milk.

Regulated milk could still be supplied to other businesses, but at a market price, not cost price

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Opportunity to let the free market decide the value of milk between Fonterra and other competitors for supply of regulated milk. Or set a formula of cost + margin to supply milk, set on the even supply curve of volume across the whole season.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

DIRA has been the major driver of milk growth since 2001. Westland and Tatua have not shared in the growth of the whole industry as majority of growth has come from the new companies which received Fonterra regulated milk at cost. Agree that price and export demand has played a part in growth, but believe majority has been because of cheap DIRA milk.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Yes

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

no

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Open entry forces Fonterra to accept supply from everybody who can meet the criteria, regardless of the location or environmental footprint.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes, every region has different environmental needs and regulations, so they remain the best entity to monitor and enforce the regulations. A dairy company will be enforcing their own environmental requirements too.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

DIRA encourages new processors to set up as they have a guaranteed supply of milk at a cheap base cost.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No, as they are drawing potential profit margins on that milk away from the Fonterra supplying shareholders, which really is a form of a subsidy for our competitors.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No change s requ red to m k pr ce reg me, s a robust system as t s now.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

No. It k nd of seems to say that Goodman F e der have not sourced the r own m k supp y after such a ong per od because they can buy regu ated m k so cheap d rect y from Fonterra.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views

good to cont nue the requ rement to supp y raw m k to NZ processors who w on y se the r pro ducts n NZ. Shou d not be m ted to Fonterra on y though.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of he options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Best opt on to remove op n entry to g ve the greatest sense of econom c and env ronmenta ana ys s from a bus ness perspect ve when cons der ng a new s pp er. Fonterra don't have the market dom nance they n t a y d d, so shou d be ab e to compete for and treat new o port n tes w th the same bus ness approach our compet tors are ab e to.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Remova of open entry requ rement. A ow Fonterra to be compet tive to accept or dec ne supp y app cat ons, not just forced to accept by defau t due to DIRA.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

allow access but at a market price

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Allow supply as a normal business transaction agreed between the two entities, where Fonterra can set the price, not just be forced to supply and at cost.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Leave the base milk price calculation as is. A good solid regime that is clear and functional, it does not require the interference of the Commerce Commission. Be good to have clarity where all milk processors have to justify the own processing too, and not just appear as a "percentage" of Fonterra.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

4.5.2 for period of review, but perhaps shorten it to 3-4 years due to the great changes that have occurred in the past 5 years. Make a clearer path to total deregulation as per the original intent of DIRA - so much has changed since 2001 that it's time to review and improve DIRA to meet its stated needs.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

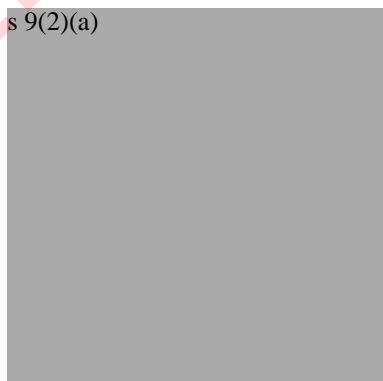
Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

A large grey rectangular box redacting the contact details provided in the form.

#84

COMPLETE

Collector: Web L nk 1 (Web L nk)
Started: Wednesday, January 30, 2019 4:43:25 PM
Last Modified: Wednesday, January 30, 2019 5:01:43 PM
Time Spent: 00:18:17
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 4.1: Options for DIRA open entry requirements

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Fonterra should not be compelled to pick up and process any milk which does not add to its profits

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

I am s 9(2)(a)

factors - ma n y env ronmenta and econom c.

Any m k from new farms was thorough y eva uated for many

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

I am ma n y concerned w th hav ng to compu sor y p ck up uneconom c m k due to d stance and tanker extens ons. I note that Fonterra's compet tors do not p ck up m k n so ated areas. They opt to 'cherry p ck'

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

A new m k shou d be subject to econom c appra sa before approva to supp y. In the NZDG era t took 60 cows/ k ometre of extens on to the tanker route to be econom c. I am unaware of any such appra sa these days. Th s has meant that Regu at on has caused Fonterra to p ck up s gn f cant quant tes of uneconom c m k.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perfo m against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

By making Fonterra pick up 'uneconomic' milk, it effectively gives the competitors a subsidy. No one has ever seen an Open Country Dairy (for example) pick up milk on the Coromandel peninsula or the isolated parts of North and

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name
Company
Address
Address line 2
City/Town
Email Address
Phone Number

s 9(2)(a)

#86

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, January 30, 2019 6:37:17 PM
Last Modified: Wednesday, January 30, 2019 7:09:17 PM
Time Spent: 00:31:59
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.2: Does the DIRA encourage industry growth?

,

Section 3.5: Does the DIRA incentivise inefficient entry by large processors?

,

Section 4.1: Options for DIRA open entry requirements

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

,

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

I can see that the DIRA has enabled competition in milk processing companies but I believe the Commerce Act would be enough to cover this now as Fonterra would not be wanting to push too much anti-competitive behaviour as it would not want to have stronger rules put back on it

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

We are not here to have additional foreign owned processor entry. I believe that New Zealand needs to look after its own and the benefit that New Zealand needs to get for its own trusted brands. New Zealand needs a strong dairy co-operative to be selling our product off shore and does not need too much competition at home to lessen the strength of this

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Not after a three year start up period at the very most. They need to be sure of the ability to be able to run on their own before they start their business.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

I believe that option 4:1:2 is the correct option - to repeat the open entry. It puts pressure on shareholders to have to carry and accept a new milk, we have to manage extra capacity when we may not even want it (the farms too far out or might have a harmful environmental impact that Fonterra does not want to be involved with). Why would we continue a rule that has had adverse results for the country and for Fonterra

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

4:1:2 repeat

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Lowers cost and benefit to my business as it means we can not get the best price possible for ALL of the milk we supply

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Not more than three years with a lower amount being able to be taken

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

85%

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

#90

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, January 31, 2019 7:58:05 AM
Last Modified: Thursday, January 31, 2019 8:29:19 AM
Time Spent: 00:31:13
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

No I don't believe so, when DIRA was first implemented there was fewer milk companies and factories. Since 2001 we've seen huge growth in new milk processors and by accounts they are enjoying favourable production, growth and trading terms.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No. Synlait are full with suppliers joining up to join them, many other processes have sprung up to compete the so-called Fonterra dominance.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes, it's simply not an equal platform anymore, Fonterra have not stated several opportunities for new milk over the years. In my milk supply without being shared-up, this may seem relevant to the above question but these opportunities have forced Fonterra's hand to offer this in response to new companies starting up production, giving new suppliers choice. The landscape has changed dramatically. Fonterra no longer has the strongest market share.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Yes....scrap it, it's simply outdated and unfair

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

A lot more competition now than ever, suppliers have choice now with new companies establishing some new markets and some safe trading history and are expanding.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

DIRA is simply outdated and the dairy landscape has changed a lot in a short time, it's no longer required. Our competition is abroad..not domestic only.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

City/Town

Email Address

Phone Number

s 9(2)(a)

#95

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, January 31, 2019 11:55:11 AM
Last Modified: Thursday, January 31, 2019 1:20:56 PM
Time Spent: 01:25:44
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

No, the original rationale was to enable competition in domestic markets and instead it has allowed overseas companies to set up shop in NZ and export product offshore that NZ then has to compete with in overseas markets not to mention the profit from these overseas companies that also heads offshore

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes it has been effective preventing Fonterra from using dominance, however it has also hamstrung Fonterra with open entry and exit causes causing the company to hang onto extra staff. However it failed to address domestic competition and instead created overseas competition and wealth and profits flowing offshore to overseas owned NZ based dairy companies

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No, plenty of competition in most regions

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes, have to supply milk to start up companies that are on your intending to export the finished product not compete in the domestic market.

Have to make sure that Fonterra has enough standards for DIRAS open entry/export causes which stops Fonterra from being able to run as efficiently as other NZ based companies and retailers

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Changing open entry/export causes to stop Fonterra being a safety net for dairy farmers, and reducing Fonterra's need to hold onto so much standards for potential capacity changes.

Scrapping rule that we have to supply milk to dairy companies that are not going to supply the domestic market

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

No, its on your creating competition offshore undercutting NZ milk value and not creating domestic competition to benefit New Zealanders

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price notwithstanding the DIRA open entry requirements?

Nope, the milk price manual prevents Fonterra from manipulating milk price and gives a true market value, and I believe it should stay in some form or another

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

No

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

No, open entry requirements have had a significant impact where farmers have wanted to move to high cost and use value to the detriment of the environment

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

allowing large dairy processors (who are typically backed by foreign capital and large global businesses), to purchase regulated milk from Fonterra, effectively at cost, undermines Fonterra's competitive advantage in export markets where those processors then compete with Fonterra for global customers.

While it may appear a net gain for our export market as the profits from these companies head offshore and aren't reinvested in New Zealand and for New Zealanders

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term “practically feasible” were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes, has created reliance by Goodman Fielder on raw milk supply from Fonterra and not encouraged them to secure their own milk supply or encouraged other manufacturers to compete in the domestic market

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

4.1.3, to reduce reputational risk

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

4.2.2 Enough market competition that it's no longer warranted and historically hasn't created domestic competition

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

4.1.1

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

4.4.2 - need ot be ab e to prov de safe heat y ow cost prote n opt ons fro New Zea anders

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

4.5.2, market dominance shouldn't be the only issue to consider

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)



#96

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, January 30, 2019 1:07:15 PM
Last Modified: Thursday, January 31, 2019 3:25:34 PM
Time Spent: Over a day
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit. **I wish to submit on all sections**

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Yes I agree with the original rationale but consider it is no longer valid.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Not that I am aware of

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes, but it has also come at a cost. Open entry and exit has resulted in money flowing in and out of Fonterra's balance sheet that at times has been difficult to manage - TAF was intended to evaluate this but it still has, for valid reasons, its detractors. Perhaps more important is that Fonterra has been unable to manage the growth in supply by having the ability to decrease supply from "inappropriate growth" - where distance, and type or intensity of cat on have compromised the ability to process profitable milk and has certainly placed pressure on the environment in some situations.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No Fonterra is not dominant in the market, but it is still the easiest choice for most of us, and often still the only choice. However new players have the ability to pick and choose the suppliers, a luxury Fonterra does not have, thus creating an uneven playing field. In some regions Fonterra's supply base is well below the originally agreed level for DIRA to be removed, and in others the pressure from land use change and value-add manufacturers is becoming more prevalent (as in our EBOP region).

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Poss b y no unreasonable costs but def nate y unfar costs. Co ect ng m k from the farthest reaches of the country wh e new processors can p ck up those c odest to the r fac ty s the most obv ous. Prov d ng m k to start up compan es - whether fore gn or NZ owned, at the farmgate m k pr ce, for them to make easy va ue added prof ts out of (wh ch may a end up overseas) s counterproduct ve to both Fonterra and the NZ economy.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

There s suff c ent cho ce of da ry company for supp ers and suff c ent cho ce of product for consumers for DIRA to be no nger needed. DIRA has served ts purpose. T me to end t.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

No. The NZ da ry ndustry has grown n the ast 20 years and needs o f nd a w y forward that a ows t to be prof tab e AND be a respons b e "c t zen". For as ong as Fonterra s ob ged to p ck p a m k that passes ts Cond t ons of Supply t w f nd t much more d ff cu t to make good dec s ons around the econom c and soc a and env ronmenta outcoms w th the same freedoms that other processors enjoy.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Yes agree

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Yes

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

No

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Global markets drive business and investment strategy. DIRA only provides Fonterra with a playing field that is not even (fair) NZ.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

I'm not entirely sure from your analysis which side you actually come down on this question. But I believe that DIRA does prevent Fonterra from making decisions about accepting supply from farm businesses that operate in a poor environmental space, especially when this is new supply. I do not believe that DIRA allows Fonterra to decline new supply from, for example the MacKenzie basin because it has concerns about the cumulative environmental impacts of increased intensification in such a catchment. Nor could it decline supply from a farm business that planned to house cows 24/7 even though our market reputation is alleged to be grass fed, outdoors, natural.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Environmental issues are best dealt with by allowing ALL sectors of the dairy industry to make decisions that consider environmental outcomes. A carrot is much better than a stick and there is no faster way to initiate change than by offering more for the product that is produced in a sustainable way. Under DIRA, I believe Fonterra is at some disadvantage to other processors because of the Terms of Supply being the only way it can restrict who or where its supply comes from. Other processors can just pick and choose, no restriction.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

No. The government has enough regulatory power already to deal with the environment

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Yes but that is no reason to keep this requirement of the Act. If new processors can set up in NZ and be as profitable and we regarded as your report suggests then surely they can establish without a helping hand from Fonterra.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Absolutely not. If there is one thing that needs to be removed from DIRA it is this.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term “practically feasible” were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No please not. The base milk price needs to be well understood by those who are involved in the industry. The Commerce Commission, however well intentioned, is not the right body. Sure we in NZ have built our primary industries proudly on the back of low regulation and zero subsidies. We have suffered the storms of low prices and the upside higher prices. This is what makes our economy cheap and the world faces other economic crises. The more control the government takes over the dairy industry, the less we feel it is ours. We must own it, or we become less invested and will take less responsibility for it.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

At some point in time consumers need to become aware that a food comes at a price and that good quality food comes at a good price. DIRA has enabled plenty of competitive choice for the consumer but it should not be Fonterra's job through regulated milk to ensure competing processors establish. If regulated milk were to continue it should have a short time limit on it - one year max.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Removal of open entry requirements. Sure the NZ dairy industry, and therefore Fonterra, is able to manage who it allows to be a shareholder supplier of the cooperative. If suppliers need to perform well and behave in a certain way to be acceptable to Fonterra, better outcomes can be achieved in an overall sense, staff management and environmental performance. The removal of open entry would allow Fonterra to set a higher standard, drive higher reputation performance and more firmly establish itself as a processor of choice, rather than the just being the easiest choice. Other processors have the choice to pick and choose their supply base - so should Fonterra. If suppliers have nothing to be ashamed of in their performance around an overall sense, people and the environment, they should have nothing to fear.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

There should be no regulated milk supplied to any dairy processor, large or small.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Too high. It should not be there at all. Why is only Fonterra required to provide regulated milk - surely Westland, or Milkmaid, or Synlait or even Tatua could supply this milk. They are competitors of establishing companies themselves.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Developing dairy processors should have to factor in certainty and predictability as part of their due diligence. On what basis is it fair or even good for the NZ economy to have these companies established in a "protected" environment as provided by Fonterra's compulsion to supply regulated milk.

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

There should be no regulated milk for the reasons stated above.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible. **Respondent skipped this question**

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes? **Respondent skipped this question**

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Status quo. None of the alternatives comes without issues and difficulties. We live in a non-subsidised agricultural economy. The influence that regulation through DIRA or the Commerce Commission needs to be minimal. The two options suggested are more complicated or overbearing or simply inappropriate in this unsubsidised economy. What exactly has not worked with the current milk price formula (apart from the asset beta issue which I don't have an understanding of)?

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

There could be supplied on a prorata basis from all processors with a supply base. Or preferably not supplied at all. Goodman Fielder is a well-established company and should have to negotiate its own terms of supply with whoever. Smaller processors should also have to produce whatever it is they produce in a completely open and transparent market, free of regulated milk.

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible. **Respondent skipped this question**

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes? **Respondent skipped this question**

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Access to regulated milk should not be available to anyone. There should be no regulated milk.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Just because the or g na market share thresho d s at or near t's tr gger po nt, there s no need to estab sh a new one, sure y.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

#98

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, January 31, 2019 7:42:19 PM
Last Modified: Thursday, January 31, 2019 8:48:09 PM
Time Spent: 01:05:50
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

,

Section 3.2: Does the DIRA encourage industry growth?

,

Section 3.3: Does the DIRA influence Fonterra's strategy?

,

Section 3.7: Does the DIRA support competition in New Zealand consumer dairy markets?

,

Section 4.1: Options for DIRA open entry requirements

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

,

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

,

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Fonterra has gone from 96% to 80% since DIRA was brought in. How does the government want to see it side with these new companies can use the DIRA milk at a discount and compete on the International Market. Fonterra has to build the stainless steel while these other competitors can come and go

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Yes but Draw eventually undermine Fonterra if there is not a stop to these other Companies coming into the market

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes because through DIRA Fonterra has to build and maintain its capacity even though it may or may not get to process a certain volume

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information

New incoming Dairy Manufacturers should be paying more for the milk that Fonterra farmers produce and in turn the tankers have to pick up and deliver, after all Fonterra actually belongs to the Farmer Shareholders!!!

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

why should the Government regulate a successful Fonterra when they have no financial involvement. Fonterra is Farmer owned.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

the proposed 5 Years should allow for reviewing the DIRA

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

ofcourse DIRA encourages industry growth when companies can set up and have Fonterra milk. I don't know of any other business models that are successful. these other start up companies aren't even using NEW Zealand money.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Fonterra has a robust pricing for its milk and NZ would be very much on the back foot if we didn't have Fonterra, DIRA should have no influence on fair pricing

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views. **Respondent skipped this question**

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Leave the price regulated on a one and continue to supply Goodman Fielder so they can help to supply the NZ market

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

the hard working Shareholder FARMERS who have huge investment in Fonterra

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence. **Respondent skipped this question**

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime? **Respondent skipped this question**

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means? **Respondent skipped this question**

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views. **Respondent skipped this question**

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views. **Respondent skipped this question**

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term “practically feasible” were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

yes at Fonterra's expense

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

stop meddling in NZ biggest Shareholder owned CO-OP

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Open entry should be removed

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

let Fonterra get on with its business it's not a State run Enterprise

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principle of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

I think you know the answer stop open entry, who's regulating who????

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

close Open entry

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

large milk companies coming into the market should not be feeding off Fonterra. let them find the milk supply and then build the plants just like Fonterra had to.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

we should have to supply any milk other than to Goodman Feder

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

dairy farmers have enough costs in running the farms in a market which can be quite volatile at times without having to supply would be companies starting up to try and compete against us. not a good business practice

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

it's not good regulatory practice interfering in NZ most successful Company

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

no. Do not supply upstart companies run by big overseas companies

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views. **Respondent skipped this question**

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

only Goodman Fielder should have access to our milk because they supply the local market

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible

I don't think there's any benefit to the Fonterra shareholders having to supply smaller processors

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes? **Respondent skipped this question**

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

leave Goodman Fielder status quo

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

5 years is way too long. who's running the Fonterra business????

Why not stick to the original 80% and stop trying to change the pay and feed

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

DIRA has done its job. Wreck Fonterra and make sure the government will be pleased, just look at what has happened overseas.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible. **Respondent skipped this question**

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

you are speaking about a NZ owned farm Shareholder run Fonterra. It's at 80% now how low does the government want it to go. It can no longer be a great competitive Company

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

review each year

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

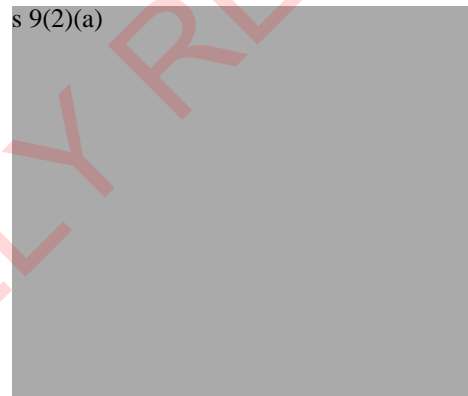
Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)



#104

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Friday, February 01, 2019 10:40:31 AM
Last Modified: Friday, February 01, 2019 4:18:01 PM
Time Spent: 05:37:30
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Yes

No - the continued idea that DIRA effectively is trying to diminish Fonterra to only a much smaller payer in the industry would only have the effect of putting milk price payments to a farm milk suppliers at extreme risk. The strength of Fonterra underpins a high milk price.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

A competitor to Fonterra are Export based and effectively had the market predetermined with overseas investors- does the profit benefit New Zealand or stay on the milk price paid that stays in NZ.

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

With Fonterra being a strong co-operative supporting members in the first instance with control dominance in that its milk price payments is the same NZ wide.

Barriers to competitive behavior would need to be subsidized by "non competitive area" suppliers which would need co-op constitutional changes.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Yes

But this is essential to thank for the country's milk production has grown to maintain Fonterra's milk supply while allowing competition to establish.

We are at peak milk as milk volumes decrease regionally and nationally the efficiency of factories will be lost the requirement for Fonterra to be strong enough to pick up the pieces is essential. The Milk Price model underpins the security of the milk price to a Suppliers of Fonterra is not Dominant it will not be able to maintain a strong milk price affecting all suppliers in NZ

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes

Subsidizing milk flow to start-ups means Fonterra loses the ability to make profit from that collected milk.

Going forward the key hood of increased milk is very small any milk diverted to a competitor not only cost in factory inefficiencies but also on the competing export market.

The requirement for open entry requires Fonterra to essentially keep reserve factory capacity in case supply moves from a competitor or a competitor business collapses.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Remove DIRA (certainly in areas that now have competition)

Spread the risk to all Manufacturers on a pro-rata basis

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

The requirement for a Strong Dominant Co-operative underpinning the national milk prices is imperative. The more this is weakened the more all milk suppliers in NZ will suffer.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

All competitors in NZ effectively base their milk price on Fonterra's so keeping a transparent milk price model is paramount but will only be successful if Fonterra is strong enough, weaken Fonterra and all milk suppliers will be affected as has occurred in all other countries that have lost their strong Co-operatives.

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Many factors drive milk supply but none more than the milk price-commodity prices created by demand from overseas has had far more influence than DIRA on the growth of the industry.

Land value and movement of capital has underpinned the redevelopment into dairy in Canterbury and South and while the movement from forestry to milk in the Wakatipu was also influenced by "Carbon Credit costs".

DIRA has undoubtedly had much influence - it's key that it helps facilitate the growth. Unfortunately the competition on growth has been at the detriment of a New Zealanders in that a foreign owned competition places its profits offshore and competes directly in the export market with Fonterra. The long established highly regarded quality of our milk has brought competing owners to NZ but not one has consistently paid its suppliers higher than Fonterra and also represents a risk to our reputation.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Being a Co-Operative Fonterra is duty bound to pay all profits to its shareholder suppliers. Its ability to advance by artificially after the milk price has protection with Fonterra's structure (Shareholders Council reviews - shareholder supplier dissatisfaction) to try and influence milk supply in advance by artificially after the milk price would on a poor financial performance.

A supplier's overall ability to drastically after the milk supply from season to season in our low cost farming systems has little to do with subsidised milk price unlike overseas systems that are highly influenced by Total Mixed Ration Feeding and the use of Hormone treatments we are more at the mercy of climatic conditions that we cannot control.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

If DIRA continues to attempt to undermine the dominant position of Fonterra it will in time be forced to vary from its Price model to maintain efficiency of plants that will inevitably lead to cross regional pricing supplier dissatisfaction and the collapse of the only true Milk Price security that suppliers have. A Strong transparent Milk Price is Paramount to a vibrant rural community.

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

If this is the case this is helping and aiding farmers by underpinning the Milk Price regardless of who they supply

A common complaint from Fonterra's competitors is that Fonterra's milk price is too high to facilitate good profits to its Shareholders - Who are these shareholders and how does putting profit in the pockets help NZ or Dairy Farmers?

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

The need to process and sell a perishable product. Its own Shareholder base - DIRA in some ways may be reducing Fonterra's added value business but as a supplier "milk price" is paramount.

Effectively a milk is a first commodity product to which you then do further refining to add additional value.

Not a milk can be turned into infant formula, specialty whey cream or high protein powders - the international markets still require high quality ingredients.

Fonterra's business/investment strategy should not be a concern for regulation as DIRA allowed its formation but should not have perceived expectations of its abilities (as it doesn't with its competition)

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

The open entry requirement for Fonterra has unintended on a y left t a pos t on where t must frst accept supply before t can impose/enforce good env ronmenta pract ces.

Th s n recent t mes p aces Fonterra supp es at the for front of any pub c reputat ona attack.

Supp ers of debatab e reputat on that leave oppos t on compan es must a so be accepted.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes

But t must be seen that any regu at on can have future unknown consequences.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Unfortunate y prem um/d scout payments used to change env ronmenta (or other behav ors) are open to abuse.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Now that the regu ated m k s restr cted to start ups and match the supply curve there s ess of a concern on regu ated m k.

The fact that a of the compet t on s nvo ved n the export of m k s d sappo nt ng.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No

Any such regu ated m k cou d be conf ne to the two reg ons that current y do not have compet ng manufacturers (Wa rarapa and North and)

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No

The cu ent format works very we any further regu at on here wou d cause me concern.

M k Pr ce regu at on shou d be focused on the supp er to Fonterra not on sat sfy ng the nvestors of enter ng compet t on.

Remember ng no Compet t on manufacturer s regu ated and to-date have not cons tent y pa d more than Fonterra.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No

Further regulation in this area will weaken the supply base confidence in its Co-operative where they currently have the right say (Shareholders Council)

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

DIRA has failed to achieve its objective here.

Goodman Fielder has capped the ticket since its inception and not once looked for its own supply to satisfy its domestic export product.

The local consumer market would be better supported by not one large competitor in the local market but strong regionally based competitors.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

The 250m Ltrs should be tendered out on a regional scale (pro-rata) to that regions milk supply where the respective competing exporters they should have to supply DIRA milk at a percentage basis.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Open entry should be maintained with in the current footprint of Fonterra suppliers (increased production) and also with in the regions that do not have competing manufacturers (Waikato and Northland)

Fonterra should be able to refuse new supply if it does not fit the Co-operatives "Character test". Reason Environmental reasons-local/regional

employment factors

environmental factors

commitment to shareholders Co-op values.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Stat's Quo- potentially has the risk of lowering the efficiency of Fonterra plants as it must carry additional room or in the case of a opposite collapse a need to purchase manufacturing space.

No other industry/Business seen as removing risk from a supplier on the decision who to supply and be the back stop for that industry. DIRA while allowing and supporting the establishment of competition for milk supply has given some choice of who to supply but no gain to Milk Price

Repeal - No effect to the supply base but would limit our options as our region has no (and unlikely to have) competition for Raw milk.

Amend - Little to no financial effect but will help protect supply base and Fonterra reputation

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Amend

Open entry should be maintained within the current footprint of Fonterra suppliers (increased production) and also within the regions that do not have competing manufacturers (Waikato and Northland).
Fonterra should be able to refuse new supply if it does not fit the Co-operatives "Character test".
Environmental reasons -
local/regional
employment factors
and market factors
commitment to shared Co-op values.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

The regulated milk should be pro-rata across manufacturers in that region.
Would make DIRA an industry act and not a control/weakens Fonterra act.
Regional competition should not be allowed to cherry pick the best supply areas at a cost to Fonterra total supply base.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

The level should be set as a proportion of that region's supply.
Going forward only in those regions that have no competition.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

The potential damage to the entire industry by subsidising overseas funded corporate businesses into NZ would weaken the total supply base.
The industry is only strong while Fonterra is at a size that underpins the Milk Price and is not regionally damaged by supporting overseas owned companies established from its supply base.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Amend-

The regulated milk should be pro-rata across manufacturers that reg on.

Would make DIRA an industry act and not a control/weaken-destroy Fonterra act.

Reg on a competition should not be owed to cherry pick the best supply areas at a cost to Fonterra total supply base.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Milk Price underpins the strength of the New Zealand Dairy industry.

It is paramount that this is transparent but also as tight as possible on controlling Fonterra's price should have as little regulation as possible.

The Status Quo.

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible. Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes? Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Milk Price underpins the strength of the New Zealand Dairy industry.

It is paramount that this is transparent but also as tight as possible on controlling Fonterra's price should have as little regulation as possible.

The Status Quo.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Reg on a supply base Raw Milk supply.

All export manufacturers need to supply a percentage of milk to local market manufacturers

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

If the supply was regulated based the competition for winter-shoulder milk would better reflect the seasonal cost for that region to produce that milk.

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

The local consumer market would be better supported by not one large competitor in the local market but strong locally based competitors. The 250m Ltrs should be tendered out on a regional scale (pro-rata) to that regions milk supply where the respective competing exporters they should have to supply DIRA milk on a percentage basis.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Market Dominance should not be represented by size but by its actions within the market place.

Fonterra needs to be a very large processor to capture the efficiency in manufacturing with its milk price underpinning that of its opposition for there to be a strong regional milk supply industry.

The Industry have a ready twice meet arbitrary threshold limits and they have been then rescinded. Fortunately the continuing growth within the industry has maintained its strength, going forward any regulated reduction in Fonterra's position on what would be a "capped Milk Supply" would harm the total industry.

Amend:

Maintain Milk Price mode:

Regional local DIRA milk on supply for domestic supply:

Open Entry/Exit current footprint and in current areas of no competition:

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

DIRA could be suspended indefinitely in an unregulated form (or suggested Amended form) and a review called if there is a call from its supply base (10%) that believes its acting unfairly.

This would deregulate the industry but ensure that if Fonterra starts to act in a non competitive way to restrict their "entry/exit" its suppliers would have a point of dispute.

The Commerce Commission should have the power to hear any competing manufacturer's concerns if they believe Fonterra is acting in an unfair competitive manner.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

The whole dairy supply industry would benefit from a strong Co-Operative that is delivering a sound milk price.

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Amend:

Maintenance Mode :

Regulatory DIRA monitoring for domestic supply:

Open Entry/Exit current footprint and in current areas of no competition:

DIRA should then be suspended indefinitely in an and a review carried out there is a cap from its supply base (10%) that becomes its acting unfairly.

This would deregulate the industry but ensure that if Fonterra starts to act in a non competitive way to restrict their "entry/exit" its suppliers would have a point of response.

The Commerce Commission should have the power to hear any competing manufacturer's concerns if they believe Fonterra is acting in an unfair competitive manner.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Currently DIRA only regulates Fonterra and as regulated industries can not keep pace with world market conditions it is putting the overseas investor security ahead of the 10,000 shareholder supplies.

We are the point where there will be enough external pressures on suppliers/shareholders of Fonterra (public consent to farm) that a continued regulated reduction in its scale will harm a dairy farmers in NZ

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

#105

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Friday, February 01, 2019 6:07:35 PM
Last Modified: Friday, February 01, 2019 10:50:42 PM
Time Spent: 04:43:06
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.4: Does the DIRA impact on the industry's environmental performance?

,

Section 3.5: Does the DIRA incentivise inefficient entry by large processors?

,

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

,

Section 3.7 Does the DIRA support competition in New Zealand consumer dairy markets?

,

Section 4.1: Options for DIRA open entry requirements

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

,

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

agree

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Fonterra should not have to now have to support new entry start ups as is the case now, as it is distinctly unfair for existing suppliers. It would be beneficial for new entrants to target their own supply.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Large dairy processors should not now be eligible for supply under DIRA. They should negotiate under normal commercial terms with Fonterra or individually.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information. Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views. Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views. Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these. Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible. Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes? Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Protection for new entrants on existing farms. Specifically young entrants purchasing or transferring farms, to ensure they are able to supply their own property values may well be decreased

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

They should be able to negotiate with Fonterra on a commercial footing. There is no solid reason for it to be regulated

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

The threshold should be lowered.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

They would still get the milk, but would just have to pay market value.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

It s wrong that Goodman F e der shou d have access to subs d zed m k 17 years on. It s a joke. How can Fonterra be compet t ve w th th s regu at on tak ng away there opt ons

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Cost ng every Fonterra supp er

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

W pe the thresho d so they negot ate w th Fonterra ndependent y. They do have the opt on of sauc ng there own supp y, of wh ch wou d be much eas er now than the past

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

For the future generations, and NZ, we need to ensure the industry does not get more fragmented than we are at present, lose our strength, then ultimately become owned by overseas corporates

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

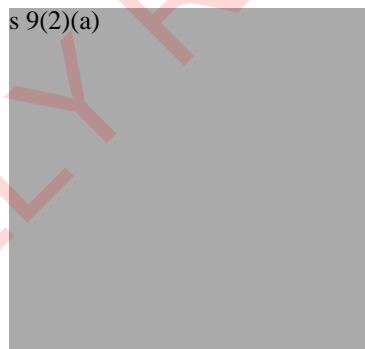
Address

City/Town

Email Address

Phone Number

s 9(2)(a)



#107

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Saturday, February 02, 2019 10:10:06 AM
Last Modified: Saturday, February 02, 2019 11:09:03 AM
Time Spent: 00:58:56
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Section 3.2: Does the DIRA encourage industry growth?

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

No, I do not think the policy rationale is (or ever has been) valid

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

I think that the main message concept on is the fact that Fonterra is a co-operative; it is not one big juggernaut; it is 105000 farmers pooling their efforts and redistributing wealth among themselves

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reason and supporting information/evidence.

I do not think there was ever a risk of this happening

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No, only in some regions; in most areas there are multiple choices

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes I do; the fact that Fonterra has to have the processing capacity to mop up any fluctuation in milk production adds cost

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

I do not think there is any need for the DIRA regime to continue

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

I do not think there is any need to manage Fonterra's "dominance" because of its co-operative nature

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

The fact that most other entities are overseas owned is detrimental to NZ Inc (akin to foreign and ownership)

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

I think this is relevant; industry growth is capped by environmental restrictions. The "landscape" has significantly changed since DIRA's inception

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

No, I think Fonterra's Milk Price Manual is sound and fair

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

The fact that 95% of our dairy produce is exported makes it very important that competition in the international marketplace reduces. DIRA is totally counterproductive to that effect

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

No, they are already bound to stick to the base milk calculation due to its capital structure; the presence of shareholders and unit holders

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Fonterra's decisions on making and investment decisions. Other businesses grow and flourish without external regulations

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

No, In my view Fonterra contributes more than other industry participants, and a reduction in market share would mean a deterioration

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

No

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Most new entrants are flogged off to overseas owners and weaken NZ's dairy industry

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No, I think that large dairy processors had ample time to get the r act together and to anticipate a post- DIRA environment. Time for commercial reality

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

I have no concern about the base milk calculation

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No, Fonterra's own Capital Structure means that the milk price will be set equitably

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Maybe the format on of Goodman F e der can be cred ted to Fonterra, there s not need for ongo ng protect on IMO

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

I do not th nk there was any r sk to the domest c m k market n the f rst p ace

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

I th nk DIRA shou d be abo shed

Q25 What costs and benefits would each of the options for the DIRA open e try requirements create for your business? Please provide quantitative information if possible.

The eros on of NZ's m k market and the ncreased compet t on n the nternat ona market p ace (ke the meat ndustry) are my ma n concerns

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

I th nk that we have to keep n m nd that we are ta ng about a Co-operat ve, owned by 100 % New Zea and farmers operat ng for 95 % n the nternat ona market p ace

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

No restr ct ons; et the share ho ers and the un t ho ders dec de what s r ght for the r Co-op

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

#110

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Saturday, February 02, 2019 4:39:13 PM
Last Modified: Sunday, February 03, 2019 11:21:42 AM
Time Spent: 18:42:28
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Yes

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Yes

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

It imposes costs on the industry. Increases cost on costs

Plant processing capacity now exceeds supply and the risk of that increasing continues with DIRA. Fonterra has had to cater for processing a milk supply to others through DIRA (except perhaps some of the domestic demand)

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Limiting the volumes Fonterra is obligated to supply to each new processor

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Competition by competitors in the marketplace (Internationally)

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

yes

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

yes

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Milk Producers ability/willingness to commit capital to shares as influences

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

It may be

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

DIRA should only be part of what drives strategy

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

yes

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

yes

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

NO Other large processors should have to bear the cost of establishing, collecting and maintaining supply in the same way Fonterra does. It tends to support inefficient entry

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Not sure?

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

4.1.3 Fonterra should also be allowed to impose transport charges on outgoing supply

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Favour option 4.2. Obligation to supply stops immediately the 30 million supply is reached

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Too high. 20 million litres might be sufficient. The small processor is already getting a base of steady supply on a square curve basis. A significant advantage. If they want to grow more than this they can put in the resource to source and manage the supply.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

4.2

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Status Quo

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

4.5.2

Page 16

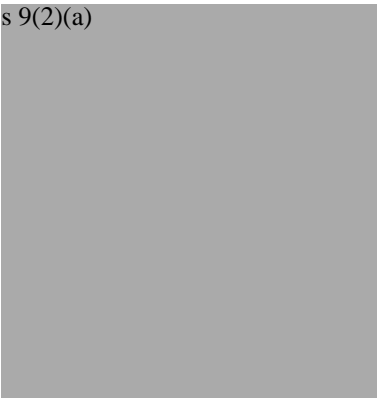
Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name
Company
Address
Address line 2
City/Town
Email Address
Phone Number

s 9(2)(a)

A large grey rectangular box redacting the contact details. The text 's 9(2)(a)' is visible in the top left corner of the redacted area.

PROACTIVELY RELEASED

#112

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Sunday, February 03, 2019 10:22:12 AM
Last Modified: Sunday, February 03, 2019 1:24:06 PM
Time Spent: 03:01:53
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit. **I wish to submit on all sections**

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

I d dn't agree w th the or g na rat ona e as we shou d be compet ng n the nternat ona market w th other countr es - not other NZ da ry producers. The co-operat ve pr nc p e s to g ve the h ghest return to the s are o der/supp er wh ch s not the same dr ver n the more recent start ups.

I th nk we do not need DIRA go ng forward.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Not sure f the the mpact of r sk cap ta has been note . As more processors have become estab shed a bu k of the r m k has come from Fonterra supp ers chang ng compa y, th s means Fonterra s accumu at ng surp us sta n ess stee (p ant s tt ng d e) wh e new processors can cherry p ck the co ect on area.

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

It has been successfu but has a so resu ted n m k be ng co ected from areas that are unsu tab e for da ry product on (env ronmenta y).

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

In some areas they st are dom nant - th s s because compet tors are not w ng to co ect m k from these areas. Overa I do not th nk Fonterra s dom nant at Nat ona eve and further weaken ng of Fonterra w d sadvantage ts shareho der/supp ers even more.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes. The free entry means milk has to be collected regardless of transport efficiency and factory efficiency. Supplying milk to startup competitors (for export) is harming the export price as buyers can pay NZ producers off against each other - resulting in a lower price than may otherwise be paid. We should be competing with overseas producers not NZ ones.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Get rid of DIRA

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

There are more than enough competitors now so DIRA is not needed.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

DIRA only regulates a section of the dairy industry (Fonterra shareholder/suppliers). As such only a portion of dairy farmers are carrying the cost of DIRA.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Most of the reasons for growth were not the result of DIRA. The rate of growth was probably encouraged by DIRA as the influx of (predominantly) offshore capital attracted by guaranteed milk and the ability to poach Fonterra suppliers.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Theoretically this influence could occur but I'm not sure this has happened in reality.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Fonterra shareholders very quickly inform the Company if they are not happy with performance, price, conditions of supply. The constitution requires 75% support of changes to the constitution, this and the recent Director election results show that shareholders are in control and it is not "Fonterra" dictating or manipulating its owners.

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

The base milk price has probably been more beneficial to suppliers of other processors by setting a base milk price as a reference point.

However I would consider the continuation of the milk price calculation as a necessary sign of the importance of maximising the return to farmers.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

International prices, competition in the market place, marketing opportunity, having to take (nearby) action offered to it.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence

DIRA should not be impacting on the industry's environmental performance - that is covered by other legislation such as the RMA. However I think the open entry and the stated objective (of DIRA) to increase competition from new processors has resulted in milk being collected from environmentally unsuitable areas. As a result new processors are too worried about the environment (aggregators rather than leaders).

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Absolutely yes.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Reversing the environmental issues needs to be balanced with the impact on capital invested (and cash flows) which occurred (was permitted) within the regulations of DIRA and the RMA.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Not sure about the rationale about competing processors not being Fonterra's biggest market place competitors - it's still NZ milk being sold and why could these competitors not have come to Fonterra to arrange new access fees.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Absolutely not, I object to helping a competitor become established - particularly as it's unlikely that any competitor is likely to come to my region.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

In general I am happy with the milk price calculation. I am more concerned that other processors want to be removed as that would make comparison between processors even more difficult. My understanding from Farm Accountants is there is already significant confusion in comparing price paid for milk, one reported that OCD suppliers were receiving 33-43 cents less than Fonterra suppliers in the same region.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No, it shouldn't.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

DIRA has failed the local market as Goodman-Feder has not invested in its own supply, and by continuing to take the regulated milk they have discouraged new local market startups.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

It is not in my interests for Fonterra to be the dominant player in the local market (as opposed to the international market where I want it to be dominant). Main reasons for this thinking is negative consumer perception (of Fonterra) if they were dominant and potential impact on who else is producing.

I support an allocation to local market supply businesses - however I suggest that this milk is prorated across all exporters rather than just coming from Fonterra. This may encourage exporters to enter the local market or partner with G-F to supply milk. The amount of regulated milk should only be for local market use.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

I suspect this provision has cost our business as we have no competitors in the region - and unlikely to in future. We are suffering from the perception of dairy farming caused by farms being converted into inappropriate areas (environmental considerations).

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

I don't think we need the provisions now.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Remove it completely, although protecting Fonterra's existing supply footprint could be considered.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

We didn't need access to regulated milk

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Too high, should be zero as there are plenty of large scale processors across most of the country.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Selling milk below the price Fonterra would receive in the international market will be costing our business.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

There should be no access to regulated milk. There are large dairy processors across much of the NZ dairy regions. Why should Fonterra shareholders/suppliers help create more international competition?

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Despite it completely is an option, the less regulated on targeted at Fonterra and its Shareholders/suppliers the better. However there are benefits for non Fonterra suppliers as it provides a reasonably transparent price guidance.

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

4.3.1 minimal impact on our business

4.3.2 potential to cost us by reducing Fonterra's discretion to act in the best interest of its shareholder/suppliers.

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Option 4.3.3. of allowing the Commerce Commission to have statutory power over what is essentially an export activity is not good regulation. Outcomes would be unpredictable as the CC doesn't have expertise in the international arena.

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Retain the status quo as this provides a guideline to milk price for non Fonterra suppliers (an industry good benefit)

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

I support the need for a significant competitor on the local market. The regulations should encourage a standalone processor who does not rely on Fonterra for its milk - in this respect the current regulations have failed.

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

I support providing milk for the local market (but not for export). I would prefer that the say 300m tonnes (half of the local market) should be provided by exporters and not just Fonterra. This would encourage some of these exporters to enter the local market or perhaps partner with G-F.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Market dominance should only apply to the domestic market. A regulations around the export market should be removed.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

The existing regulations could be suspended for 5 years, followed by a review. The proposed (above) local market provisions and the milk price calculation could be retained.

At the review the future need would be more clearly seen. To "protect" Fonterra shareholder/suppliers there could be a provision for an earlier review if say 15% requested such a review.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

If DIRA expired now I do not believe there would be any negative impacts on our business. However there could be a few issues on the local market and competitor suppliers may have less of a guidance around milk price.

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

I think DIRA should have expired already to meet the provisions of good regulatory practice.

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

I would prefer that DIRA expired now - subject to protection of the local market and possibly the retention of the milk price calculation.

Alternatively you would be to suspend DIRA regulations for 5 years then review. And finally set an automatic expiry date for 5 years time - this would require a serious conversation if there was to be an extension rather than the assumed rollover we currently have.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Thank you for the consultation meetings and our opportunity to participate in the review. It takes a lot of effort to respond to these reviews and it's not something that many dairy farmers want/are able to get involved in.

The review should set a pathway for de-regulation.

This review should be about shaping the direction of the dairy industry and not just that of Fonterra shareholder/suppliers.

Milk production has probably peaked in NZ and I am concerned that I (a Fonterra owner) will end up owning the surplus stainless steel.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Address

C ty/Town

Ema Address

Phone Number

s 9(2)(a)

A large grey rectangular box redacting the contact details for Name, Address, C ty/Town, Ema Address, and Phone Number.

PROACTIVELY RELEASED

#116

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Sunday, February 03, 2019 8:46:17 PM
Last Modified: Sunday, February 03, 2019 10:04:30 PM
Time Spent: 01:18:12
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

The idea was to create competition and with Fonterra sitting at 82% of milk collected from 95% of events done its job and should be phased out as promised at Fonterra's share of milk at 80%

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

yes

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

If other milk companies had to take a suppliers wanting to join like Fonterra does. I know of lots of farmers that would leave Fonterra tomorrow if open country would pick them up. They are still the biggest processor but only by default as other companies don't have the scale at the moment

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes. Fonterra is forced to pick up a suppliers even if they only do 10,000 milk solids and farm miles from anywhere. eg Awak no. They have to have plant capacity to process current suppliers and anyone else that wants to supply.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Leave out the cause that makes fonterra pick up any farms milk. The other companies don't have to so why should fonterra? Its creating a disadvantage to fonterra. Open exit could still be implemented

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Fonterra's losing market share at the time. I think farmers are leaving because of better opportunities elsewhere. The way things are going fonterra and co-ops will be dead in 20 years due to loss of market share. Less milk being processed results in higher overheads and lower returns to farmers so then more farmers leave.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

The waiting list to join open country. Reports have heard put the list at 300 just in Whanganui / Manawatu alone. If you included Taranaki it would be 500 plus. That's 5% of Fonterra supply so that tells you there's plenty of competition and support for other processors which is why DIRA is no longer needed

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence. **Respondent skipped this question**

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Farmers determine milk supply volume with the choices and the weather. The other processor set the prices independently and usually close to Fonterra. If Fonterra was to close independent processors would pay less as they don't have anyone to keep them honest

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views. **Respondent skipped this question**

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Yes. I believe Fonterra would like to pay good farmers more for environmental, animal welfare, milk quality measures etc as syn adds. To do this they would have to pay some farmers less

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

DIRA has been as it has had to build big milk powder dryers to handle the volume of milk coming at it due to open entry. I'm sure it would have rather spent the money on value add investment

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Having the option to not collect milk gives Fonterra a strong position to drive better environmental outcomes on farm

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

no some things may pass RMA but not be best practice

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No as Giving overseas owned processors a start in New Zealand disadvantage Fonterra and ultimately they will get suppliers from Fonterra weakening its supply base, weakening the co-op and the industry as a whole. If this is still a cause other processors should have to supply milk to achieve market share %

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No this is a co-op not a govt department. The co-op should pay what it deems to be the value of the farmers milk

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Get ride of the open entry. Then fonterra isn't forced to take milk way out in the hands or by farmers not meeting acceptable standards

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Regulated milk only for companies supplying the domestic market. Export companies are competing with fonterra in markets that they have access to.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

10000 bigger than that and they ARE GOING to be exporting

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

At this point DIRA has been around for 17 years and no new factories in Taranaki so probably if it was feasible to build a factory it would have happened by now. so no change to my business

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

No regulated milk for large competing companies as it's competing with Fonterra and driving down our returns

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

As long as they are for domestic supply then that's OK but Fonterra should be able to charge more for the ease of getting milk. There are lots of costs that aren't directly related to what Fonterra pays farmers that Goodman Fielder need to pay. eg staff, transport, correspondence, quality assessments, milk for schools, advertising etc

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Cut the regulated milk once they reach more than 10,000 litres processed. they need to do the hard work and get their own supply of pay for the ease of Fonterra supplying

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

I thought it was 80% and it should expire as agreed to at the start and not have the rules changed. As we said just because Fonterra controls the most milk doesn't mean farmers want to stay.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

If Fonterra has an open entry and exit then so should other processors. be even a even paying feed and unless the other processors have the same rules it's not fair.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

DIRA should expire when Fonterra's market share is less than 80% as originally agreed to and let the market balance itself. Having rules to balance Fonterra's dominance is creating a disadvantage for Fonterra. A weak Fonterra is a disadvantage to all NZ farmers as the other processors set the return payout off Fonterra. The industry has been built on the co-op model and DIRA is trying to run hard work that previous generations have put into the numerous co-ops. Independent processors only pay what they have to to get milk so without a strong and efficient Fonterra NZ dairy farming is heading into a big dark hole of low returns and instability.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Address

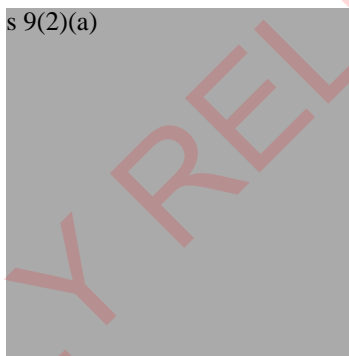
Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)



#116

COMPLETE

Collector:	Web L nk 1 (Web L nk)
Started:	Monday, February 04, 2019 9:23:10 AM
Last Modified:	Monday, February 04, 2019 11:29:26 AM
Time Spent:	02:06:15
IP Address:	s 9(2)(a)

Page 1

PROACTIVELY RELEASED

Q1 Please select the sections on which you would like to submit.

Section 2.1: 2001 structural reform to enable the industry to drive strategic change

,

Section 2.2: Industry performance since the restructure

,

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk and is it still needed?

,

Section 3.2: Does the DIRA encourage industry growth?

,

Section 3.3: Does the DIRA influence Fonterra's strategy?

,

Section 3.4: Does the DIRA impact on the industry's environmental performance?

,

Section 3.5 Does the DIRA incentivise inefficient entry by large processors?

,

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

,

Section 3.7: Does the DIRA support competition in New Zealand consumer dairy markets?

,

Section 4.1: Options for DIRA open entry requirements

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

,

Section 4.3: Options for the base milk price calculation

,

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

,

Section 4.5: Options for the DIRA review and expiry provisions

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

NO. the aim of DIRA was to create competition in the NZ domestic market, as new processors have been exporters, so DIRA has failed in its aims. consequently it has been a negative influence to farmers & NZ public.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence

the fact that Fonterra has HAD to pick up any farmer, it has had to have factory capacity etc, this has meant less capital available for "added value" which is where Fonterra & NZ Inc need to develop opportunities for NZ

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes, it has been objective in allowing other competitors which has taken the dominance away from Fonterra. BUT, is that best for NZ, NO!!!

NZ is a small country & our competitors are the world markets & for NZ to succeed, Fonterra needs to succeed & any restraint on Fonterra is a restraint on NZ

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

NO, there is enough competition in most regions, any move will be at the detriment of efficiency in transport & factors.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

YES, Fonterra has to have capacity in transport & factors to pick up any milk. this cost & capital could be spent in better returns of "value add"

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

lets get this right, DIRA has not been successful in encouraging domestic sales via domestic factors. so the only way for competition to be encouraged is to REMOVE the regulatory regime & allow free market entry.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

the solutions for Govt & regulations be removed & not be replaced by something else to allow NZ Inc to succeed

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

DIRA & the regulatory tools miss the point.

they are restraining Fonterra & NZ Inc taking on the world market & being successful for NZ

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

to say that DIRA has encouraged on farm production is wrong,
what has the world markets improvement & requiring more production

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

I would hope that a successful business would pay more & therefore that would encourage productivity.
that has to be good for NZ Inc

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views. Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

the base milk price is very transparent & very in the public, so no need for regulation.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views

DIRA is NOT driving Fonterra, it is restraining it.

if you had a successful bookshop in the city, would you expect Govt to say that should help a foreign competitor to set up in competition with it in the same town?

the same for Fonterra, why should we help a competitor that is successful

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Farmers are leading the charge on environmental improvements, partly the rest of the society was doing the same

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

no

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

YES

but your assessment of supply of milk to overseas NZ companies is wrong as the profit etc is taken out of NZ
Fonterra should NOT have to supply any milk to a competitor.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No

if you were a successful book store, it would be ludicrous to have regulations that you must help a new competitor.
this is what DIRA has done to NZ & Fonterra with the profits from the new company leaving NZ

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

the milk price is VERY transparent.
we do not need more regulation
we need less!
we need free market

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

NO

it is already working & is transparent

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

NO

Goodman should stand on its own feet & find its own market, it can't should not be in business.

Wapiti Milk buys directly from farmers & is able to compete.

Fonterra is well aware of being responsible in its pricing.

there is enough competition from other food sources like margarine & other liquid foods to compete with

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

other foods that are the competition

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

no regulations on Fonterra.

why have it on just 1 company?

if you are going to have any regulations it needs to be on all factors/companies

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible

don't know

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

NO requirements on just 1 company

Goodman should be able to stand on its own feet or get out of business.

less regulations, more free market

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

None

free market is enough of a change

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Goodman needs to stand on its own feet & get its own supply. this will be good for NZ public too

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Zero

if a new company wants to start, let it be competitive & get its own supply.
why should 1 supply company have to help a competitor

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

don't know

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

NO access !!!!!!!!!!!!!!!!!!!!!

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

NO

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

what about FREE Market creating those outcomes?

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

NO Access

the present system is working fine as required

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Yes.

stand on their own feet & compete in the market, that has to be best for the public

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible. **Respondent skipped this question**

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

we do not need regulations.

that's OLD School thinking

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

NO

Goodman have had 17 years to face the market

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

you miss the major point.

the NZ farmers compete on the world markets

there's already enough competition on NZ

DIRA is not required after 7 years

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

DIRA needs to exist

it has not succeeded & is passing its use-by date

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible. **Respondent skipped this question**

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

free market is enough of a challenge
we do NOT need regulations

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

NO Regulations
that is antiquated thinking

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

DIRA has not created Domestic competition as most new factories have taken advantage of DIRA cheap easy milk to export.
we need LESS Government in a free market.
our competition is the world markets.
none of your comments have related to growing NZ Inc
that is a real shame.
any new business needs to stand on their own feet & not have an easy start. that is not encouraging innovation for NZ Inc

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name
Company
Address
Address line 2
City/Town
Email Address
Phone Number

s 9(2)(a)

#122

COMPLETE

Collector: Web L nk 1 (Web L nk)
Started: Monday, February 04, 2019 6:36:01 PM
Last Modified: Monday, February 04, 2019 7:53:33 PM
Time Spent: 01:17:31
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.1: Has the DIRA been effective a managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

,

Section 3.4: Does the DIRA impact on the industry's environmental performance?

,

Section 3.5: Does the DIRA incentivise inefficient entry by large processors?

,

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

,

Section 3.7: Does the DIRA support competition in New Zealand consumer dairy markets?

,

Section 4.1: Options for DIRA open entry requirements

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

,

Section 4.3: Options for the base milk price calculation

,

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

No. Fonterra is a co-operative not a market for farmers to need to sell milk to.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Fonterra is dominant in some regions. Fonterra is at great risk in others because of the open entry policy and 50 million tonnes start up milk. NZ has bigger market dominance worries to consider such as supermarkets and fuel than Fonterra.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

By forcing Fonterra to provide new processors milk they get an unfair market advantage to start financially questionable businesses. To buy a farm need to have sufficient savings and business models for a bank to bank me, to start a restaurant or any other business need the same. No competing businesses going to provide me with a portion of the customers to give my competing business a hand up - its inconceivable.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Fonterra need the opportunity to be able to make some profit on the milk that is provided contractually under DIRA whether that is to new start up plants if this stays status quo or for Goodmanfield. Fonterra would otherwise be able to sell that product on the open market to make some profit. It is unreasonable to expect Fonterra as a co-operative to absorb that volume of milk to be sold at cost while other companies can sell unregulated coveys.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Appeal of the industry for the next generation of farmers, cost of entry and potential returns. The payout has been unable to increase over the years because of market pressures and producing new plants etc, however every other industry has benefited from growth of pay/rate in the rfid. The next generation of farmers are looking to purchase farms at a much higher per hectare purchase rate with far increased compliance costs at the same milk pay out rate that they have had for decades. If NZ wants to ensure our farms remain Kiwi and family owned then this is an important factor to consider.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

I am really concerned about the open entry policy with regards to and that is not suitable for dairy being able to supply and sheds or farms that don't meet expected standard being able to buy shares and begin supplying. It does not meet Fonterra's values but is required under the open entry policy then Fonterra needs to assess and manage them to change or stop supply which takes up resources and time that other processors don't have to manage (as much).

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes. National Councils need to take more responsibility with regards to this. Wetlands should not be able to be drained for dairy, steep hill country should not be consented for dairy farming for the welfare of the environment and animals.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

50m on tres for new processors shou d no longer be requ red. A other bus nesses enter ng the market n any other market need to be ab e to f nanc a y w thstand estab shment. If they are not bankab e under that reg me then they shou d not start bus ness - ke a others.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

They shou dnt need DIRA regu at ons but cou d enter nto a commerc a purchase agreement w th Fonterra nstead (wh ch I understand some have done so)

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

I understand the m k pr ce s set from a h gh y comp ex range of ca cu at ons. I so understand that some compet tors to Fonterra awa t the r announcement and then just do "fonterra p us 10cents" or so. I am happy w th the m k pr ce ca cu at ons and adjustments made across the season as necessary

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

NO!

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Fonterra shou d be ab e to make a sma but regu ated prof t off the 250m on tres that Goodman F e der have contracted. Wh e a sma drop n the tota m k ev ry percent of m k cou d have been so d for max mum prof t. Fonterra shou d cont nue supp y ng them w th M k to ensure comet t ve supp y for NZ domest c market and avo d un ntended consequences for NZers buy ng m k of hav ng the pr ce r se. However 10 centres per tre on the 250m on tres wou d cover the unseen costs to Fonterra through not hav ng t ava ab e to market, to tra h gher va ue products. The other v ew s to ensure that ts purchased at the overa m k pr ce not on a mon h by mont base then f nd out they've not pa d cost for t

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

If Fonterra are not ab e to make a sma prof t off the m k so d to GF, then a da ry factor es shou d be respons b e to prov de the r market share of the 250m tres to GF at cost, OR GF cou d enter nto a commerc a agreement.

Fonterra though needs to ensure they dont have reputat ona damage by not supp y ng GF and then cost of d ary go ng up for NZers.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Fonterra needs to be able to decide farmers that don't meet the standards. This would put them to the same level of control around entry as the competitors.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Open entry requirements support dairy growth in NZ however end at times to unsustainable and being converted. Open entry creates tension amongst Fonterra shareholders in terms of the ones that sell out in the high supply someone else then buy back in when it's low, sell out again when shares are higher ... and on it goes. This provides a no-risk venture to supply other companies which isn't equivalent to other markets in that you generally don't get to try out the opposition with a door held open for you to return whenever you wish.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Open entry and potentially a competing milk company in North and would be competing in terms of that milk plant being able to be placed the most economically viable location and taking milk in a more cost-effective way, therefore increasing Fonterra's cost of production and processing of milk collected from North and.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

I would like to see open entry reviewed to ensure Fonterra is not being forced to take underperforming farmers that don't meet its values. I would also like to see the open entry exit cycle for farmers to be removed.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Independent milk purchase commercial agreements. Its 2019, let's move on.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

To high. All other processors entering any feed need to be able to run their businesses without the opposition giving them a hand up. This unprecedented and strange process of now defining outdated. A new processor could compete their own commercial agreement with Fonterra.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

I th nk t needs to stop. A ow them to enter nto the r own negot ated commerc a agreements for raw n che markets and commerc a opponents.

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

A ow them to enter nto the r own negot ated commerc a agreements

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

I th nk t s worth cons der ng how the other compan es set the r pr ces. The Fonterra +10cents sure y cant be robust. Fonterra s a co-operat ve so r sk to shareho ders ow n terms of not end ng up w th the best payout th company can afford. In that sense t worr es me that Fonterra s pay ng ts best and the other compan es arent - but they arent regu ated.

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

We run an extreme y ow cost grass based bus ness so any changes o forecast wou d not affect us or base m k pr ce. Farmers that are too heav y deb ted to pay the max mum vo ume game are most at r sk from any changes.

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Fonterra s a co-o erat ve. I d agree that regu at on s requ red to ensure fa r and reasonab e m k payout to ts shareho ders.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

4.4.2 ooks ke the best opt on to me. It covers my prev ous concerns noted n other sect ons.

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible. Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Smaller niche markets are stable to enter private commercial agreements.

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

4.4.2

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA? Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these. Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible. Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes? Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views. Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

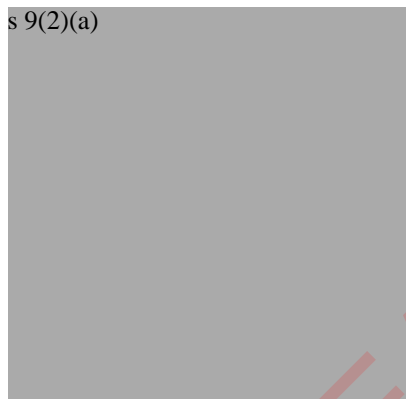
Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)



PROACTIVELY RELEASED

#124

COMPLETE

Collector: Web L nk 1 (Web L nk)
Started: Monday, February 04, 2019 9:16:29 PM
Last Modified: Monday, February 04, 2019 9:59:00 PM
Time Spent: 00:42:30
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 4.1: Options for DIRA open entry requirements

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

Section 4.3: Options for the base milk price calculation

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider that the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmer's milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

amend the DIRA open entry requirements to allow Fonterra to decide to accept applications from new and existing farmers if Fonterra considers the supply is unkey to comply with Fonterra's teams

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Amend the eligibility provisions in the raw milk regulations to exclude large dairy processors

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Status quo ; retain the existing DIRA provisions for Fonterra's base milk price calculation and commerce commission monitoring

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

C ty/Town

Ema Address

Phone Number

s 9(2)(a)

A large grey rectangular box redacting the contact details for the respondent.

PROACTIVELY RELEASED

#125

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Monday, February 04, 2019 8:53:36 PM
Last Modified: Monday, February 04, 2019 9:59:23 PM
Time Spent: 01:05:47
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

no, the biggest barrier to supplying fonterra's buying shares.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No, Apart from North and, Fonterra has a (generally overseas owned) dairy companies that require no shareholder to supply.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes, both financial and social.

Traveling excessive distances to pick up uneconomical milk supply is ridiculous. Having to allow significant investment in capital to build plants with much higher capacity than economical sense is just in case suppliers return to Fonterra. Also, unreasonable social costs associated with Fonterra having to accept new milk from contentous dairy conversions on marginal land. There should be a cause to not accept if public opinion or brand damage to Fonterra would occur (McKenzie Basn).

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Public opinion on farmers. Fonterra and the farmer suppliers are providing world class pasture based treacherous food.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

DIRA does not encourage industry growth. International markets do that. Demand drives supply, Supply as that. What DIRA has done was enable Fonterra to exist so that it could capture world demand for quality milk from pasture based NZ cows.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

In North and we have to supply Fonterra, the milk pools too small to warrant a second dairy competitor. Supply increases when payout increases because more higher cost supplements are used to produce more milk because there is a margin to be made by the farmer. The prices determined by the demand (GDT results). No, I don't believe Fonterra can influence milk supply volumes through price. Because other factors like shareholding requirements and dividend pay a larger role. Suppliers leave Fonterra when the business is not performing and the returns on significant investment from the farmers through shares are poor. A large amount of Capital tied up in Fonterra from each supplier, a return must be seen every year.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Yes, When you have a policy that states that you can convert marginal land to dairy, and no matter how much milk you produce with intensive high stocking rate farms, Fonterra has to pick up and process your milk. This rock solid supply arrangement allows greater certainty for large conversions to take place.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Option 4.1.2 would remove the unintended consequences of the repetitive risks associated with public sensitive environmental conversions.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Far too high, should be 10m on. Fonterra (and its shareholders) are effectively helping foreign owned dairy factories to enter the market and strip value off Fonterra's 10,000 farmer shareholders.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

4.2.2. no other company in the world has to give its direct competitor on raw materials to compete with the market.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

4.3.1, it's incredibly hard to predict a year out what the world will demand, and hence set a milk price.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

I am a proud Fonterra farmer, I am 100% committed to the environmental direction we need to take as an industry, my wife and I have had 2 days off farm in 3 years, we work incredibly hard, pay way more than our fair share of taxes, and would urge the government to allow all of the Fonterra recommendations to be acted upon.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

City/Town

Email Address

Phone Number

s 9(2)(a)

#128

COMPLETE

Collector: Web L nk 1 (Web L nk)
Started: Sunday, February 03, 2019 1:51:24 PM
Last Modified: Tuesday, February 05, 2019 7:28:02 AM
Time Spent: Over a day
IP Address: s 9(2)(a)

Page 1

PROACTIVELY RELEASED

Q1 Please select the sections on which you would like to submit.

I wish to submit on all _____ ,
sections

Section 2.1: 2001 structural reform to enable the industry to drive strategic change

,

Section 2.2: Industry performance since the restructure

,

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk and is it still needed?

,

Section 3.2: Does the DIRA encourage industry growth?

,

Section 3.3: Does the DIRA influence Fonterra's strategy?

,

Section 3.4: Does the DIRA impact on the industry's environmental performance?

,

Section 3.5 Does the DIRA incentivise inefficient entry by large processors?

,

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

,

Section 3.7: Does the DIRA support competition in New Zealand consumer dairy markets?

,

Section 4.1: Options for DIRA open entry requirements

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

,

Section 4.3: Options for the base milk price calculation

,

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

,

Section 4.5: Options for the DIRA review and expiry provisions

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Original policy is not valid anymore because in most NZ regions farmers have more choices to supply other processing companies. There is enough competition with in NZ from other dairy companies

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence

no

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes, there's now plenty opportunity in most regions to supply other companies

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No, only in North and farmers can't supply other companies

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes, when Fonterra bought NZ Dairies (Studsmead), Fonterra was planning to increase production capacity there. It has the required consents but hasn't used them because Oceanic came into Glenview. This makes it too expensive to acquire Studsmead.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Stop that Fonterra has to supply 50 million litres to new start up companies and have to take any farmer back that has left Fonterra

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

No I don't think so

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Yes though the nutrient levels being set because of water pollution will effect the number of cows in NZ what will cause excess processing capacity.

Most other processing companies are owned by overseas companies (governments). The profit generated by these companies goes overseas and will not be invested in NZ

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

To an certain extent Fonterra was arrogant to its suppliers, this is not the case anymore because of the competition they face. For the future the environment and water pollution will be the deciding factors for expanding the dairy industry

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

No, the milk price mechanism and the GDP are the prices that the farmers are using to see where the milk prices are going

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

see above

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Keep the milk price calculations. It gives the farmers the ability to see how Fonterra performs

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Proper product research and market analysis should do this

Page 7 Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Yes I do, I don't think Fonterra would have taken the milk from the conversion in the McKenzies basin from Valente if it was not for DIRA (open entrée)

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

No necessary Fonterra's reputation at risk by bad environmental management from its suppliers

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

see above

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Yes, agree it'd make it easy for new processors to start up and secure supply from farmers who were more confident that the new companies would be successful

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No they should not be getting any milk from Fonterra. If they set the milk price higher than Fonterra they won't get enough milk but they set the price just high enough to attract the milk and will keep the profit. I have been a supplier of NZ Dairy to Studhome and at meetings they told us that they were doing so great but asking why this wasn't reflected in the milk price they were paying there was never an answer

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

not sure

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

If an independent body would do it manipulation is taken out

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes, but it shows that the milk price Fonterra charges Goodman Feder is right, no other companies supplying them and Goodman hasn't set up their own supply chain

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

I don't think Dira has to worry about consumer choices. Open Country would have the ability to supply milk through the Wholesale of NZ

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Yes, private companies can decide to accept suppliers at their discretion and have their factory at 100% capacity. Why should Fonterra shareholders have to keep extra processing capacity for suppliers that maybe come back in the future

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

I can't provide this information

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

n/a

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Leave only open in areas without sufficient competition

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No there is enough competition in NZ

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Agree with 30 million of milk for specialist production

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

It will weaken Fonterra's position and ability to compete. Large processors already supply pick farmers in concentrated milk supply areas and build their factory the right

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Not we , we don't see financial performance data from private companies

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

yes that they pay market price for the milk

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

no

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Goodman Fielder can set up its own supply, smaller processors should be able to access Fonterra milk at market price

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

I th nk D ra shou d be repea ed .The rs's suff c ent compet t on n most NZ reg ons We need a strong Da ry company n NZ that can stand up to the b g supermarket cha ns that operate on the wor d markers. If yo req re Fonterra to ose more market share you on y have to ook to Great Br ta n to see what happened to the r da ry farmers a the abo sh ng of the r Da ry board approx. 10-15 years ago

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

no

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

don't see the value hood from the cooperative farmers out to overseas dairy companies and supermarkets, that's why Fonterra was formed to stand up against them. My son supplies a private company and they only pay what they have to to keep the milk. My question to them was when they asked for supply why they don't want to buy on the GDP act on platform. To expensive

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name
Company
Address
City/Town
Email Address
Phone Number

s 9(2)(a)

#124

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 05, 2019 1:49:54 PM
Last Modified: Tuesday, February 05, 2019 3:49:04 PM
Time Spent: 01:59:10
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Agree

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Our company would like to see the question addressed of how easy is it actually for a dairy farmer looking to change milk companies to make an objective decision

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes to a degree, but in recent times we've seen Fonterra having to carry excess processing capacity just in case suppliers who have left the coop should wish to return

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No. We believe that the previous 80% market share threshold should be reinstated and that in the SI where Fonterra's market share has dropped below that threshold, DIRA should not apply

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

yes - see point regarding excess capacity. We're also disadvantaged by having to provide subsidised milk to foreign owned exporting companies

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

No

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

A major impediment to us even considering changing from Fonterra supply to another company is the lack of an easy and accurate comparison of average milk price/kgMS between the companies

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

The importance of NZ Inc and the underlying ownership of other processors

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Certainly the subsidised provisions in the DIRA which make it very attractive to establish new processing plants in competition with Fonterra suggests that the DIRA has been successful in that aim. However Dairy supply has stopped growing so now as that DIRA is really doing is aiding foreign owned and exporting competitors get a leg into our industry at Fonterra's expense. Doesn't seem very smart to us.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Contract conditions are by far the most significant determinant of milk supply volumes than milk price. The price elasticity of supply is quite low, especially now given the restrictions on the use of PKE.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

No

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

We are comfortable with and have confidence in the independence of the milk price generated by the milk price formula, based as it is on the fortnightly GDT auctions. We reject outright the assertion from Fonterra's competitors that the milk price is too high. Quite simply that is driven by the desire to purchase raw milk at the lowest possible price and increase returns to the shareholders. It's would be a race to the bottom - instance Ireland, UK and Australia.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Business and investment strategy should always be driven by a company's "why" - its sense of purpose. Companies which owe their very existence to the DIRA may well have allowed their business and investment strategies to be driven by the DIRA. We believe Fonterra's strategy is driven by return to shareholder suppliers.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Yes. The DIRA and environmental performance are incompatible.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes we agree that Fonterra should be able to exclude supply from those with substandard environmental performance

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

DIRA forces Fonterra to operate and maintain excess capacity which has unended adverse environmental and economic costs

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Yes - Although OCD and Synlait haven't taken DIRA milk from Fonterra for some time, the failure of GF to develop its own supplier base is probably the single largest failure of the DIRA

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No - they should be excluded. GF demonstrates the real cost to Fonterra of developing and maintaining a milk supply and collection/testing base. That cost is not fully reflected in the regulated milk price. Processors which do not have their own supply base are fundamentally disconnected from the dairy industry supplier.

Page 9 Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term “practically feasible” were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No. We have confidence in the milk price model. We've heard the debate about the asset beta used in the milk price calculation (we understand that between the two views there's about 2c/kgMS - not to be dismissed but realistically a beatup by Fonterra's competition). What would greatly assist us in either deciding to leave the Coop or continue to supply the Coop would be to improve transparency in the average price/kgMS paid by all the companies. If NZ is to have a DIRA regime then all companies should be required to publish a the Commerce Commission, the average milk price/kgMS for the season just ended

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Definitely not. Fonterra in effect sets the default milk price. Through subordination, Fonterra's shareholders guarantee the Coop - Cawback provisions ensure that Fonterra shareholders ultimately carry the can if the Coop can't pay its bills. It would be a bizarre notion to have the Commerce Commission with no skin in the game setting the milk price which Fonterra's shareholders would then have to guarantee.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

There's obviously domestic competition in the consumer dairy market, but it's a significant worry that the DIRA has failed to induce GF to develop its own supply. That would tend to suggest that they can source raw milk from Fonterra at a price significantly cheaper than they could develop and maintain its own supply base. That in turn is likely to imply that Fonterra's shareholders are subsidising the domestic consumers to a significant extent

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Our preference would be for open entry to be abolished. That said as an industry we seem to be over peak milk and if anything facing something of a decline so it would be unlikely that Fonterra would turn down supply unless it breached environmental conditions

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Some of our neighbours have moved supply to OCD from the Coop, cashed up their shares, used the share realisation as a deposit to buy a second farm, and supplied that milk to OCD as well. Some of those suppliers after the 3 year OCD supply contract has expired have come back to Fonterra, and contracted to share up over 10 years. That's gaming the system, is an unintended consequence of the DIRA and significantly disadvantages Fonterra shareholders.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Only the options that would limit open entry would perform well against those principles

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Our preference would be for open entry to be removed entirely but as a minimum open entry should be restricted to those who meet environmental standards

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

NO. Large milk processors should be excluded from access to regulated milk

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Far too high. Large milk processors should be excluded from access to regulated milk

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Doing away with large processor access to regulated milk would reduce the subsidy (and therefore cost) borne by Fonterra's shareholders.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Only the option of doing away entirely with the supply of regulated milk to large processors would achieve the desired outcomes.

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

yes as indicated above. Further, should the 30Mlt threshold remain, large processors should be explicitly prevented from forming a subsidiary to collect milk on its own behalf

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

we support option 4.3.1

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

we like the certainty that the model creates

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

We want a system that reflects export market realisations with as much transparency as possible and as little regulatory interference as possible. The more interference the greater the compliance costs and the lower the net returns to the NZ dairy farmer

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

we support option 4.3.1

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

probably 4.4.3 to encourage GF to develop its own supply base.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

We think the market share threshold (80%) remains the best measure

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Sunset clause

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

The sooner Fonterra gets onto a level playing field with its competitors the better from the viewpoint of reducing the Fonterra subsidisation of its competitors and reducing the overcapacity Fonterra is required to carry.

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

We think it's fundamentally unfair for the original 80% threshold to have been removed just as Fonterra's market share in the South Islands and below that level.

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

4.5.3

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

We'd like to reiterate the importance of all dairy companies having to publish transparent average milk price/kgMS for the season just ended, so that suppliers can readily make the comparison and judge whether shifting supply to another entity is rational. Our enquiries suggest that it's extremely difficult to make that determination at this point in time.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name
Company
Address
Address line 2
City/Town
Email Address
Phone Number

s 9(2)(a)

#125

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 05, 2019 1:37:23 PM
Last Modified: Tuesday, February 05, 2019 4:07:01 PM
Time Spent: 02:29:38
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

I do agree with the description and its original policy rationale. However 18 years later things have changed.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Lots of focus on consumers and the national website. Very little mention of the interests of me as a dairy farmer, about which this is about.

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Not dominant in many regions, where other options are available for milk producers.

I believe open entry and exit in some areas needs to be looked at, where competition is at high levels, to even the playing field otherwise force the milk processors to move into more areas in NZ not just the main areas.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Open entry exit has a cost. Milk production may not be the worst most profitable option on some land types but Fonterra is forced to pick up the milk under DIRA.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Around the world where dairy farmers do not have a strong Cooperative they very quickly become price takers and suppliers of a raw material to a Corporate.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

It can also be argued that the growth of the dairy industry has been as a result of the poor performance of other industries, or options, beef and sheep

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

NO. I think the current formula that produces the milk price is a strength of Fonterra's constitution. Other competition should be asked to make their milk price clearer so comparisons are easier for a farmer to make. Less smoke and mirrors.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

The open entry having to accept a milk drives decisions for Fonterra. They are the back stop for everyone.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

DIRA is not responsible for the environment, the local and national regulations where unable to cope with the expansion of the industry.

The industry itself did not realise the impact either. We are paying catch up.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes RMA along with National standards for water quality.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

The Residual Reputation Risk to Fonterra needs to be addressed in DIRA.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

NO milk to overseas companies that come to NZ get milk easily then produce products and compete with Fonterra overseas. Fine if we are trying to protect NZ consumers but giving milk to the opposition and having to close your own plant, crazy.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Might make some lawyers rich.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

If that's the case then ALL processors need to operate under the same rules. NO! to the independent body.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

The comment that it was envisaged that Goodman Fielder would finish up with their own milk supply, but for reasons have not shows the problems with regulation and the need to be very careful.

Yes there needs to be competition but the same can be said about the supermarket industry which has in effect a sole monopoly.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Should others be forced to be in the local domestic market if they want to export milk products from NZ.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Option 4.1.3: I think works best, unless there are options for farmers to supply milk to another company or companies.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

4.1.3:

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Why are we concerned about doing the right thing for an overseas company who want to come to NZ to process milk. If a business case stacks up then they will come.

What is best for NZ and then for New Zealand farmers

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Amend the regulations to allow for competition in the domestic market, but stop giving overseas companies a hand into the market.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

If it needs changed then set it up to provide a milk price for all companies.

The milk price has a clear set of guidelines and rules already, very difficult to improve on it.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Protect the consumer in NZ but dont make Fonterra subsidize the market. Allow for competition.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

The regulations need to ensure as a farmer I have competition for my milk however, we export 95% of the milk from NZ and so it is on to continue to weaken Fonterra to a point that it fails over.

The NZ industry needs strong companies that can manage worldwide, while ensuring that we encourage innovation and performance.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

I have seen what happened in the UK when the industry was split up and the then Milk Marketing board was removed, farmers lost out without a strong controlling interest. There is a philosophical difference between a Corporate and a Cooperative that I am not sure is understood or acknowledged in this review, the two are very different beasts and operate in very different ways.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address


Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)



#126

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Sunday, February 03, 2019 11:33:39 AM
Last Modified: Tuesday, February 05, 2019 4:17:00 PM
Time Spent: Over a day
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

I consider that the landscape has how changed in NZ dairy and DIRA as it stands now has no need to be in place

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

no think they have been covered

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

I think even without DIRA but with deregulation we would have found that the landscape now would look the same.

1, not all farmers are coop minded

2, some farmers converted or purchased farms to dairy on and where under capitalised so when it came to buying coop shares there was not the capital to do so that is where the PLCs or private providers came into play

3, some sore the chance to sell coop shares and use the money to invest in farms not the coop

4, the market always finds a balance no matter the rules

5, where there is a monopoly there is a way for another competitor.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

It may be dominant in some areas in NZ but where competitors see an area where they can set up and make a profit there is competition in that area and as they get a bigger foothold the area shrinks or they expand their plants.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes I do. As Fonterra is obliged to pick up a milk can and can only store the pick up in some areas for so long before the farmers change them under the DIRA rules.

Fonterra when building new plants has to take into consideration open entry/ open exit and build more capacity in the plants than may actually be needed. That's why you see some of the Mega plants only running for 3/4 of the season.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

No there are no ways to mitigate costs with regulation. The market should always find its own level.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

If one looks at companies with market dominance around the world, over time most lose the dominant position and are upstaged by start ups.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

It is left to the market with always find a balance. Regulation always distorts the market place. I thought we would have learnt the lesson with subsidies.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Fonterra does not influence milk supply through price. The market sets the milk price through supply and demand. Fonterra milk price manages the mechanism in which the milk price is derived and this sits at arms length from the Board. The oversight committee has Board member representation, independent representation and farmer representation through the Shareholders Council. Without such an independent mode you would see behaviours that brought down MG in Australia.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

It is strange that all the competitors use the Fonterra's milk price to set their price. Suppliers of other companies don't want to see the milk price manually eroded as it would see the milk price drop.

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

A DIRA and ComCom monitoring does add another layer of oversight to the process and more costs to the farmer.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Relevance in the market and having to turn a profit for the shareholders is surely the driver.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

the open entry /exit does mean that investors will push the boundaries of farm expansion and location and some will move into sensitive areas. this is where regulation has unintended consequences.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

do agree that RMA should be the gate keeper but to date it has failed to deliver and RC have lost most of the court challenges on farming activity

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

think that environmental issues should be treated equally across the board not just pick on the sectors that can be seen to afford them. Urban and rural treated the same.

also we need to have a discussion on what we as a country are prepared to sacrifice to maintain our way of living.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

no do not agree with your analysis

Fonterra should be able to set and monitor its own milk price without regulations it is up to it and its shareholders.

if a new or existing processor can't make it in the market place why should Fonterra or the regulators make it easy for them.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

no one should be eligible to purchase regulated milk.

Fonterra should be free to negotiate a milk price with whoever at a price both parties can agree on.

if you look at GF they have been getting milk off Fonterra the whole time. DRA has been in place with no effort to put their own supply in place. they also export the products that they make as well. this was meant to be a safeguard for the NZ consumer, as so Synlait has now entered the NZ market

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

no the government should be completely out of setting any milk price tests up to processes and their shareholders to set the price.
It's Fonterra milk price not the governments.
It's also influenced by overseas trends not NZ trends

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

no

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

no don't agree with your analysis think DIRA has distorted the market place.
If GF were paying too much for their milk off Fonterra they would have set up their own supply base but no they keep getting cheap milk from Fonterra.
If there was no money in domestic milk why is anyone entering the market and they now don't get DIRA milk.
I also believe GF are using their milk from Fonterra in products they are exporting

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

no not at the processor level maybe at the retail level

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

repeat DIRA let the market decide

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

no

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

only 4.1.2 would be good market practice.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

4.1.2

markets find their own balance

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

no

Fonterra should be under no obligation to supply any milk to anyone

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

too high

Any milk that is supplied under regulated dairy markets

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

-

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

I think a milk should be a deal between two parties and a price negotiated for regulated dairy markets

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

drop DIRA and let Fonterra get on with looking after its shareholders

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

4.3.1 has looked after farmers very well to date and put pressure on management to perform

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

I th nk that the m k pr ce manua s work ng we for fonterra and ts shareho ders ts a bout max m s ng the m k-p ce for the shareho ders of the coop

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

GF and sma er processors shou d be free to str ke a dea w th fonterra on a commerc a bas s w thout any regu at on

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15 Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company


Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

A large grey rectangular box redacting the contact details provided in the form.

#134

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Sunday, February 03, 2019 12:32:42 PM
Last Modified: Wednesday, February 06, 2019 2:26:45 PM
Time Spent: Over a day
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

No I do not agree with the description of the benefits of DIRA regulatory regime. It was designed to manage Fonterra dominance and the fear that Fonterra would act contrary to free market principles. The reality has been that some of the competitors are the processors that act in dominant way by in some instances requiring farmers to change their systems to supply the competitor. Often the farmers looking at the competitor because pressure to release capacity. Some of these changed farming systems have been at the expense of the environment in my view. The original policy rationale is no longer valid in my view. By Fonterra having to accept a market we have seen farmers capacity spent in the commodity end of market building capacity which may or may not come. We have seen the value added component of market income diluted by the extra market costs. This has largely been at the expense of the original shareholders but added a downward move to the highest end and set at that time but has left the risk of stranded capacity as market price falls.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

There is a view that Fonterra has underperformed at a farm gate level. Dairybase would indicate for the period from 14/15 season to and including the 16/17 season operating performance per hectare of Fonterra farmers was 58% higher than next largest dairy company. In simple terms the more profitable the farmers - the better off communities, the bigger the tax take and the greater the farmers ability to invest in environment mitigation and improvements. Dairybase data clearly shows that over two & three periods that data exists for Fonterra farmers are very significantly more profitable. Data available on request.

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes, but it has meant that Fonterra has had to accept milk from areas that some would deem to be "sensitive". DIRA has been very effective in ensuring that local market suppliers (large & small) have access to milk and this should continue. There should be no requirement to supply overseas owned or controlled entities with milk even in start up phase. It is bizarre that a company should be required to provide milk to those who look to compete in the international market place with that milk. There is no evidence that those companies deliver higher farm gate returns than Fonterra - the limited evidence that exists supports the contrary.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No - I have three and soon to be four or five options for my milk. The reality those alternative processors would pick up my milk at a discount to Fonterra. Many farmers that left Fonterra did so because of the need for a capital injection.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes - The cost being the requirement to hold sufficient capacity for those farmers that choose to return. The other companies only accept supply that is profitable to them and on terms that suit them. Fonterra currently has to accept the new or returning supply whether it adds value or not. This can be at the expense of the existing shareholders.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

I believe the Commerce Commission has strong powers to manage any company that is using its dominance irresponsibly. Break up of Telecom could be an example.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Yes - as you note correctly - it is the value of dairy products relative to other primary products that largely drove growth. Would the absence of DIRA restricted this growth? It is possible speculate either way.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Yes

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views. **Respondent skipped this question**

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

No - I think the base milk price calculation is a very method for both setting an internal transfer milk price and for monitoring Fonterra's performance.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views. **Respondent skipped this question**

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Yes - and not mentioned is that the competing companies are free loading on Fonterra's environmental initiatives. Further analysis will show that the so called incentives offered by some companies are in reality targets that have to be achieved if the suppliers to get close to the full milk price - which is key to less than Fonterra's already. This explains the significant difference in on farm operating performance between some milk companies.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Yes - Fonterra has been required to correct milk production sensitive areas such as the McKensie Basin. I was part of a discussion in 2002 when the McKensie was first muted and the debate does Fonterra go back to the government for a DIRA change and there was appetite for that given the sensitivity of Fonterra's format on.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

yes - but no evidence is produced to show that this has had a net benefit at farmer level.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No - because they do not appear to be delivering any extra value to farmers at a farm gate even as evidenced by Dairybase data. While it's good for farmers to have a choice, it's not in NZ's interests to have reduced profits at the farm gate with profit made by the manufacturer going offshore.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

unsure

Q21 Do you consider that the base milk price should be set by an independent body (e.g. the Commerce Commission)? If so, please provide supporting information.

No - but reasonably relaxed providing the commerce commission has scrutiny of the milk price calculation

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

I support the status quo - Fonterra should be required to supply small & domestic processors and suppliers. DIRA has been very effective here.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

I can't define them relative to my business.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Second option would be best because if a farmer felt aggrieved there's still the commerce commission.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

My preferred option is the second option - as this would encourage farmers to seriously look at the real numbers before switching rather than to release capital or protest.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

NO

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

It's high enough - would prefer 20 million litres

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

There is no evidence that the new largely overseas owned or controlled processors have added any extra value at farm gate. The contrary appears to be true.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Option two

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

no

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

cannot define

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Option 1 & 2 would work the best.

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Option 2 - I fear that option 3 would end up as a political football between parties/companies

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Unable to quantify

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Option 1 then option 2

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Market share threshold is crude and penalise success

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

A better option would be analysis of company behaviour as is used in other industries or investment based on contracts. If one looks at the contract offered by the alternative processors to Fonterra I would argue that the T & C of those contracts are anti-competitive and are restrictive on the farmers. No open exit.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Option 2 based on say a three year review.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Yes - there does not appear to be any quantitative work done on the benefits that the alternative processors have delivered to NZ dairy farmers or NZ inc. Database would indicate that those farmers supplying other processors are worse off on average but data sets are limited.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

City/Town

Email Address

Phone Number

s 9(2)(a)

#136

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Saturday, February 02, 2019 12:10:22 PM
Last Modified: Wednesday, February 06, 2019 6:30:45 PM
Time Spent: Over a day
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Agree with the description

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

The requirement for Fonterra to take a market offered as resulted in Fonterra investing in milk drying facilities particularly in the last few years and not investing sufficiently in value added capacity. The discussion document highlights this.

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

We farm in Northland so Fonterra is our only option, however, we are firm supporters of the cooperative and would not be changing anyway. The dominance of overseas investors in the meat industry processors has not been to the advantage of sheep and beef meat farmers.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

The new DIRA requirements to provide milk to competitors allowed competing milk processors to "square curve" the processing and compete unfairly with Fonterra. It should be noted (and the discussion document does note it) that most of the competing processors have significant overseas ownership. As a result Fonterra's NZ dairy farmers subsided to some degree that overseas ownership to get started.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

The discussion document does note that Fonterra has the ability to set, and does set different prices. However these prices are for specific milk products not base milk. It is a well-established cooperative principle that we treat all suppliers equally as far as difference from processing facilities concerned. It is the collective strength of the total milk supply that makes the investment in standards still feasible.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Agreed

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Fonterra is a cooperative company and at the end of the day milk price has to come down to market returns. Having said that the company has been able to even out prices paid to farmers but only for a short time and it still ends up back at market returns.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Investors in Fonterra units are a sound handbrake on Fonterra deviating too far from the base milk price. If dividends are reduced to beef up the base milk price investors lose interest very quickly.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Without being on the Fonterra board, it is impossible to know to what extent DIRA is driving business and investment strategy.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

We agree with the assessment that the international market milk price has driven most of the growth in the dairy industry. This growth has impacted on the environment, however as noted in the discussion document a lot of the milk processors are now working proactively with the suppliers to reduce environmental impact.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes we agree that environmental issues are best dealt with through the RMA. RMA rules and community pressure are already providing encouragement for dairy processors to become involved in environment improvements.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

No

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Agreed

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Large dairy processors should be able to purchase milk from Fonterra but not under regulated conditions. It should be through freely negotiated contracts. Milk production in New Zealand is highly impacted by season and as a result dairy processors must provide sufficient processing capacity to process milk at peak seasonal times. Any processor that has access to milk through regulation and can "square curve" the milk supply through regulation has a competitive advantage. If a processor requires milk on a square curve basis they should have to pay for the additional value of milk outside of the seasonal peak.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No we don't think so

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No, we would be strongly opposed to an independent body setting the milk price. Regulation of prices in other countries has a way of leading to market distortions that have eventually had to be subsidised by taxpayers. The current system, while not perfect, works well.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

With such a small percentage of NZ's milk production being consumed internally, it is virtually impossible to create a regime where domestic processors are not linked to international milk processors. The Commerce Commission has the ability to investigate if it appears that the domestic market is paying prices that are too high. It should be noted that domestic processors have usually been slow to increase as international prices have increased and in turn slow to decrease as international prices have decreased. The industry appears to have taken a responsive 'smoothing' approach to domestic prices.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Fonterra should be able to decide to accept milk from new or existing farmers that don't meet its conditions of supply. New farmers in particular that are a long way from processing facilities or are attempting to set up in an environmentally sensitive area should be able to be decided.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

4.1.3 - reasons as above

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Don't really know

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Support option 4.2.2 for the reasons in the discussion paper

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Support option 4.3.1 for the reasons in the discussion paper

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Support opt on 4.4.1 for the reasons in the discussion paper

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Support option 4.5.4 - a predetermined expiry date will ensure that any potential processors that are considering entering the market will need to get on with it.

Page 16

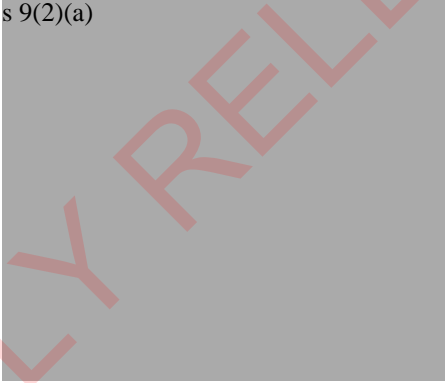
Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

The comment about methane emissions in the paper omits to note that dairy cows produce methane as recycling carbon that has been removed from the atmosphere through the carbon cycle when the forage eaten by those cows is grown. This sinks the carbon from the burning of fossil fuels that have been locking up carbon for thousands, even millions of years.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name
Company
Address
Address line 2
City/Town
Email Address
Phone Number

s 9(2)(a)



#138

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Monday, February 04, 2019 8:57:51 PM
Last Modified: Wednesday, February 06, 2019 8:03:24 PM
Time Spent: Over a day
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 4.1: Options for DIRA open entry requirements

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

Section 4.3: Options for the base milk price calculation

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

Section 5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4 Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Amend the DIRA open entry requirements to allow Fonterra to decide to accept applications for new and existing farmers if Fonterra considers the supply is unlikely to comply with Fonterra's terms of supply.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Too high 15 million litres.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Amend the eligibility provisions in the raw milk regulations to exclude large dairy processors. They should be able to attract the supply if they are large processors without Fonterra milk. Many of the established processors have attracted supply already from Fonterra suppliers switching. However, most large processors coming into NZ are now mainly owned by overseas companies and are competing on the same market with Fonterra. This is unacceptable to Fonterra suppliers.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Status quo: retain the existing DIRA provisions for Fonterra's base milk price calculation and Commerce Commission monitoring. Fonterra should have control over this and not be dictated to by the Commerce Commission.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Amend the Raw Milk Regulations to gradually reduce Goodman Fielder's eligibility for regulated milk over time. They have had plenty of time to obtain their own suppliers but haven't done so because it has been too easy for them to access Fonterra milk. They need to stand on their own two feet.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Amend the DIRA to provide for its automatic expiry from a nominated date or when a set market share threshold has been reached. The goals posts have been moved on this one and that is unfair to keep doing this. It is now 82% of the market share which is far less than the 2001 mark.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

It's time for other Dairy processors to have their own supply especially those which are overseas owned. They provide nothing to our economy in terms of supplying the local market and profits as the products go straight overseas. The only positives that they provide some employment.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name
Company
Address
Address line 2
City/Town
Email Address
Phone Number

s 9(2)(a)

#140

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, January 30, 2019 9:56:52 PM
Last Modified: Wednesday, February 06, 2019 9:28:57 PM
Time Spent: Over a day
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Yes it was probably needed in 2001.

No I do not believe its current form is necessary.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

No. In fact it has prevented Fonterra from maximizing its profits payable to farmers because Fonterra must always be able to have processing capacity available to any supply as soon as they wish to send product to Fonterra.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No. It is the major processor in most regions by choice not by domination.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes. Fonterra must always have spare capacity in case of new supply at any time.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

I cannot name one other company in any other industry in NZ that regulates in place to prevent dominance. Is dominance a problem of the dominant company's performance. All the other processors appear to only reward the suppliers with a milk price in the vicinity of Fonterra's (i.e. they only pay what they have to, to obtain milk). Does NZ inc gain from this?

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

No. The Milk Price Manual is a very transparent document which is easy for most to comprehend, unlike most of the other processes within NZ.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Shareholders and the intense interest in the co-op. The driving force for Fonterra is, and always should be, a good sustainable return for its farmer shareholders, a sustainable industry that is protective of the future generations and an industry that all New Zealanders can be part of and proud of.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Only if they are supplying solely the New Zealand domestic market. If they are processing for export what other industry is regulated to supply competitors in their own markets?

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No definitely not

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

no not really. I don't see too much competition on shelf pricing at Supermarkets etc. If anything I think MPI should be looking harder at Supermarket dominance and control of Dairy product pricing

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

It could be a requirement in the very few regions that aren't fortunate to have competition.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

It should only be in place for processors who supply on to the domestic market.

It should not be available for Processors who export their product

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

No. If they are so good they should be able to compete and pay higher returns to the farmer shareholders therefore obtain their own supply chain.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Status Quo

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

GF and smaller processors should establish their own supply after 3-5 years or purchase the milk from Fonterra or other processor at commercial rates.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Set a time frame and stick to it. Refrain from moving the date or other determinants when they are close to being reached.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Address

Address ne 2

C ty/Town

Ema Address

Phone Number

s 9(2)(a)



PROACTIVELY RELEASED

#142

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, February 07, 2019 6:31:12 AM
Last Modified: Thursday, February 07, 2019 10:31:20 AM
Time Spent: 04:00:08
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit. **I wish to submit on all sections**

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

I understand the rationale. But don't believe the objective has been achieved. Yes, we have more companies that pay the suppliers the Fonterra market price under duress with most of the value creation captured by offshore shareholders interested parties. So no don't believe the industry is better off.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Yes, \$ contributed to Development by new processes and the extra value they bring back to NZ over and above Fonterra. I suggest a decent portion of margins captured by overseas shareholders interest in the distribution chain.

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Land use is determined generally by personal desire and projected profit, not by the amount of competition in a co-op export sector

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No more than enough competition.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes. Take a new Milk.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Yes Dump DIRA a together And L qu d m k supp ed on pro rata bas s or compete on pr ce tender

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

The true compet t on s offshore not n how many tankers come past my gate. Th s can be ach eved w th the robust m k pr ce manua we now have

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

How has t ncreased the va ue marg n per Kg ms returned to NZ re at ve to growth n our export markets or wor d.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

By and arge wor d determ nes growth not anyth ng to do w th DIRA

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Wor d Demand determ nes supp y vo umes

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Yes the same ru es shou d app y to a Da ry compan es on a % of market share bas s

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

The M k pr ce Regs as at present are Fonterra's m k pr ce and shou d app y to Fonterra, and dr ve Fonterra to perform.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Hav ng surp us manufactur ng capac ty And most prof tab e m k n compet ors p ants s of no he p

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Yes

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

No

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views

Yes

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

absolutely not. the only thing this achieves is to line the pockets of offshore investors.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Milk Price Manual is for Fonterra Shareholders. others can pay what they like with full open disclosure similar to milk price. What happens now is if someone does a full cost comparison between companies they face legal action by these new companies.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No milk price Fonterra Others can pay what they please with independent comparisons at end of season

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

DIRA has achieved not much for domestic milk other than being able to have Fonterra take the rap for all dairy price issues in supermarkets.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Maybe its time a / most processors supply or Goodman source their own supply either by tender or own herds.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Past its use by date get rid of DIRA full stop. Let Fonterra decide on new supply on a case basis.
Have to pick up current supply

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

The benefits should come in Fonterra performance.
they can answer best.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

there is competition now so should not be needed.
4.1.3 fits needed

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Let the coop decide taking into account environmental and regulatory controls.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these

No, any new entrants can source milk from an existing company

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Yes not needed any more.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

If you can't create a margin on that milk its costing us so we sell at a loss or reduce the bottom of a start up

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Not needed its out of date. Look at what we have as opposed to the org na ntent ons. compet t on s n the nternat ona markets not n NZ.

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Source there own Have enough compet t on

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Leave to Fonterra w th overs ght from CC.

Commerce Comm ss on to rev ew and pub sh month y m k pr ce from a compan es

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

conf dence and dr ve that the manufactor of our m k s as eff cent as poss b e

Q35 How well do you think each of the options for th base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

M k pr ce was set for Fonterra S/H to dr ve effec ency
and h gh m k pr ce now new entrants wa t t as ow as poss b e

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

4.3.1 eave t a one t dr ve mp ovements and the economey

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

1 source the r own

2 tender from ex st ng company

3 source from b gger co as a % of tota supp y

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Open market

Cost or benefits shared equally

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Source from biggest sales risk But doesn't share cost / lost opportunity across a

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

source from whom they like no competition on Fonterra

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Not important competition overseas what matters

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

no

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

increased dividends

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

don't think DIRA has helped our industry at all other than create a strong sector that is now being eroded with corporate shareholders capturing value in the redistributed business and keeping it off shore and overseas buyers bargaining price down between companies.

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Exit DIRA Leave milk price manual as is with oversight from CC

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

#143

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, February 07, 2019 10:04:56 AM
Last Modified: Thursday, February 07, 2019 11:00:18 AM
Time Spent: 00:55:22
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

yes

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Fonterra supplies milk at cost to companies that trade in opposition. Fonterra collects from any farmer across NZ not just local close to the factory. Other companies are doing to keep their costs down.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Land that is unsuited for dairy use should be retired or used for other farming. A hard line should be taken on correct land use.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Ony f t s good bus ness for Fonterra.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Fonterra has invested a lot of farmers money and is expected to provide a good return. If it is to set milk to other companies it must be at good profit.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

A large grey rectangular box redacting the contact details provided in the form.

PROACTIVELY RELEASED

#135

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, January 30, 2019 9:36:21 AM
Last Modified: Thursday, February 07, 2019 3:27:00 PM
Time Spent: Over a week
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 4.1: Options for DIRA open entry requirements

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

Section 4.3: Options for the base milk price calculation

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

Section 5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4 Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

There are no sensible alternatives.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Open entry is a cost to all Fonterra suppliers who must pay to ensure there is enough infrastructure to collect and process the milk from which, usually, are unattractive to other dairy companies. Option 3 removes Fonterra's subsidisation of non-Fonterra companies and sets the industry right way ahead.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Open entry has been a guarantee for a market, i.e. a farm knows that its milk will be collected by Fonterra if no other outlets are available. Option 3 removes the security of the current rules for open entry. Few other commercial businesses have such a backstop available to them for their products.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Option 3. It will ensure Fonterra is able to decide milk supply just like any other dairy company rather than being forced to accept supply.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Large dairy processors should not have access to regulated milk.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

It should be zero. Start-up large processors should not be assisted by having regulated milk.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Regulated milk forcing a farmer to support a dairy processor. Large processors should attract supply on their own merits.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Regulated milk supply has served its purpose and is no longer necessary because there are several competing processors.

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Large processors should not have access to regulated milk. The business should be good enough to attract milk supply willingly with the release of a company prospectus.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No.

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Options 2 & 3 would only increase administration. They would not increase accuracy or timeliness of the calculated milk price.

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Option 1 is tested and works. Options 2 & 3 are unproven and should not be tested on the commercial market which disrupted and distorted reliability.

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Option 1 works and is transparent. It does allow a milk company to deviate from the calculated price if it has good reason.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

There must be a guaranteed milk supply for domestic use.

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

If applied only to Fonterra then all costs fall on Fonterra suppliers whereas the commitment and costs should be spread among all export dairy companies.

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Access to regulated milk is a backstop to ensure that milk or products is available for domestic consumption for a dairy processor is unable or unwilling to enter directly into a supply agreement with another dairy processor.

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

The preferred option is to retain access for GF to 250 million litres and the smaller suppliers to 50 million litres of milk (if required) for the domestic market. This regulated milk should be made available by all exporting dairy companies in proportion to their annual milk supply compared to NZ's total annual exports and not taken solely from Fonterra. This also demonstrates the dairy industry's social responsibility to NZ.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

What is dominance? Based on your market share does not take account of the effective dominance which is much more difficult to measure. I'm unsure of a better method.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

The chosen option must provide certainty and clarity.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Nobody knows how markets etc will change and develop so it's down to best judgement but certainly in knowing that DIRA will be reviewed is essential.

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

At this time DIRA should be amended and retained, it is wrong to think DIRA has outlived its usefulness.

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

For certainty and simplicity a 5 year review period is appropriate, this gives a good balance between constant review and never being reviewed.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

DIRA has achieved many of its aims and is now due for an update. It has been effective at allowing other, competing, dairy processors to get established but it is now time to minimize the uneven rules which seem to penalize Fonterra. All dairy companies should operate under the same obligations.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)



#136

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 05, 2019 4:27:44 PM
Last Modified: Thursday, February 07, 2019 3:59:05 PM
Time Spent: Over a day
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Sorry I haven't answered any of your questions above, but here is my take on DIRA. It has run its course and delivered what it was meant to do, that is regulate Fonterra until there was fair competition for milk where the safeguarding the domestic market. I believe it should be either completely abolished or at the least suspended for 5 years.

Free entry/export needs to be abolished over the whole country as it penalises suppliers in areas where there is no choice as to where they send the milk like North and Waikato.

I have no problem with Fonterra supplying milk to Goodman Fielder for domestic product as we need solid competition in the domestic market, but as Fonterra is now less than the original 85% threshold of milk supply, the burden of supplying Goodman Fielder should fall on every processor in New Zealand and on a pro rata basis of the milk processed.

Fonterra should not have to supply any milk to any company who intends to export any of their product overseas whether they are New Zealand owned or not, this includes Goodman Fielder if in the future they decide to export product. When we as Fonterra suppliers supply milk to other companies who export, they effectively water down our offshore dominance and they trade off our good reputation. These companies are not New Zealand owned and do not retain the profits in New Zealand. New Zealand's international dairy reputation has been built over generations of farmers over more than 100 years so government and regulators should be making sure a NZ owned dairy processors are at the least not disadvantaged as Fonterra is at present by having to supply raw milk to their offshore competitors.

I support the milk price calculator as it is good for the whole industry and keeps Fonterra honest.

I believe there should be a Dairy Industry Restructure that covers every drop of milk in NZ and every processor. It needs to make sure every processor has to supply milk to the domestic market, and it needs to be clear that NZ is important and protect NZ owned processors. What other industry in the world helps out their direct competitor in the export sector?

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name
Company
Address
Address line 2
City/Town
Email Address
Phone Number

s 9(2)(a)

#137

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, February 07, 2019 2:30:23 PM
Last Modified: Thursday, February 07, 2019 4:08:03 PM
Time Spent: 01:37:39
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit. **I wish to submit on all sections**

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

The section seems to assume that milk price and Trading amongst farmers existed at the time Fonterra was formed. They did not, but the two are incredibly important for a dairy farmer, as they allow us to receive a milk price that matches the rest of the world. Prior to the formation of Fonterra, dairy farmers were paid well below our peers in other countries.

I also do not believe that more competition for farmers milk will increase the price received. It is a complex issue, but we have seen that in Australia our peers are receiving less for the milk than they should (Rabobank report 2018). There is no dominant company that sets the milk price, and no method for providing a milk price. Australian dairy farmers are suffering - this is widely seen in the media.

Our competition happens overseas. If two dairy companies have a product each that they want to sell to a customer, it is quite possible that there will be a bidding war to the lowest point - the loser is the farmer back in NZ.

We are competing with other dairy processing companies around the world - we shouldn't really be increasing that competition internationally by promoting more competition internally.

I believe due to the number of internationally owned dairy companies now in NZ, that our economy is under threat if Fonterra does not have the ability to say no to a new supplier.

A dairy farmer can switch to another company, and come back to Fonterra. Fonterra at present has to take the milk, but the other company does not. It is not an even playing field. What is worse, is that other companies profit head overseas.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

The ability of farmers to manage the volatility has not been appreciated. Fonterra has added the farmers through interest-free loans. A private company is unlikely to do this.

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes - to the detriment of Dairy Farming's social licence to farm. If Fonterra was able to create barriers we wouldn't have had the increased milk and cows we have. Many Fonterra farmers would have opted to stay at a very slow rate of growth - so that we could have used capital to move into higher value products rather than have to build plants to handle milk volume.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No.

Other privately owned companies are reaping the benefits of being able to cherry pick supply.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes.

Some of these costs are not quantifiable though - they would be in hindsight. If a strong co-operative failed to exist then it would be a race to the bottom in terms of milk price paid by processors. This has happened in England, parts of USA and is happening now in Australia. We cannot let foreign owned companies weaken our strong co-op.

The other big unknown is the issue around future milk growth. If environmental constraints mean less milk, a processing company will have excess capital. This will cause a drop in milk price in the long term as this cost of capital will need to be taken into account.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

DIRA is important in that it provides an ability to prevent anti-competitive behaviour - but it has had the unintended consequence of making the competitors of Fonterra anti-competitive, as they have contracts in place with the suppliers that discourage open exit.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

No. While there are elements in DIRA that need to change, having the Commerce Commission being in charge could have us ending up like Australia. They don't seem to understand that we are an international company - to be able to dominate the overseas market is good - but we can't do that if we have too much competition with NZ.

There should always be the ability for small niche NZ owned producers to be able to make products to sell both locally and internationally. DIRA helps these small businesses.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Yes - Fonterra provides a transparent milk price - many other processors do not - this confusing for farmers, and many decisions are being made on-farm with less than accurate information.

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Yes, but the growth has not been good.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Fonterra can only influence milk supply volumes through the milk price - which is a very well calculated number. It is dependent on the price of commodities - Fonterra is only responding to supply and demand economics.

The biggest influence on production is the cost of feed. In drought years it is uneconomical to produce milk. Importation of cheaper feed - Palm Kernel extract, has helped increase production to a large extent.

The influence of costs on milk production can be seen very clearly in Australia - farmers there have plenty of processors to supply, but drought has meant that the cost of feed and water is so high they can simply not afford to farm, the price the processors are paying is not enough to cover costs, so they are selling the cows. Australia's situation rightly shows a classic case of why we need to have a dominant co-operative in NZ - one that ensures the farmers are paid a fair milk price.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Fonterra is owned by its farmers. We elect a board to oversee management. It is very unlikely that we allow the company to act in a manner which results in lower prices for farmers. Board members have to face up to farmers at least twice a year - they have the reputations and the jobs on the line if they go outside co-operative principles.

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

No. The Milk Price is well accepted, and is now better understood. It is the reason NZ dairy farmers are better off than their peers around the world.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

DIRA is not driving business and investment strategy, but it needs to be taken account in the strategy.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Yes

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Open entry provisions did mean in the past that Fonterra had to accept milk from unsuitable environments. This has been an unintended consequence of DIRA, and needs addressing.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Yes

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

I would like to see them not be allowed to have long-term contracts with the processor - some are locked into the processing company for 5 years or more. Often circumstances change, and farmers face significant costs if they don't honour the contracts.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

I am very confident in the base milk price calculation and its oversight. Please do not change a good thing.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

NO NO NO NO

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

There is plenty of choice for consumers - from low price dairy products through to niche products.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Opt on 4.1.1 Farmers leaving the co-operative and being allowed back should not be the value of being in a co-op. Many are leaving without understanding the market price they will receive from the new processor.

4.1.2 This is my preferred option.

4.1.3. I think this is a good option - however, I think it could be manipulated by lawyers acting on a farmer's behalf as some of the conditions of supply may be subjective and open to interpretation.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

I think market price transparency is best with Fonterra - the current open exit and entry requirements make it in other processors' interests to be vague and in some cases untruthful about the market price.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Opt on 4.1.2 on the basis that opt on 4.1.3 could be a costly legal battle for farmers and Fonterra.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

All processors that operate in NZ should be made to supply a certain percentage.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

I don't know the answer to this, but the basis of discussion in the document makes 30 million litres look like a reasonable number.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

I like the idea of helping New Zealand businesses, but I think they need to be able to buy product from all processors, not just Fonterra.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Opt on 4.2.2 is the best option in my assessment, but again - should other processors be required to do the 'bit' to help small businesses?

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Yes, 4.2.2

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No. The Milk Price is very well accepted in NZ and overseas. (It's the envy of other farmers world wide)

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

The other options other than status quo would add considerable cost to the calculation of milk price and may even be less accurate.

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views

Yes. Status Quo.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Yes - other processors should be required to sell a percentage of the milk at DIRA price.

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

I think that current market dynamics will change - particularly with Synlait entering the domestic market. Goodman Fielder may start losing market share and not be able to take the amount of regulated milk anyway. So option 4.4.3 to me looks like the best option.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

The goals posts have continually been moved. I think to make things more transparent that DIRA is reviewed every 5 years, and that changes be made to the act as indicated by the review.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No I think the options as outlined are sufficient to consider.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

The frustration around DIRA for our business is the open entry provision and the market share issue. If both are taken out it would make our business decisions easier, and take out a fair bit of stress in our business.

I think DIRA needs to continue, but needs to have clearer guidelines around regular reviews - and include an analysis of overseas processors and the effect regulation has on them.

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Yes my preferred option is 4.5.2 A regular review, but take off the market share criteria.

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Dairy Farmers in NZ face a number of factors that aren't economic. The pressure from consumers for safe, ethically produced, sustainable food is a ways front of mind. When we have our few farmers being urged into supplying overseas owned companies, eroding our co-operative hurts.

Our co-op was formed by our forefathers to secure the very best price for milk that the market would allow. To see the value in this eroded by companies whose profits go overseas is a pain that is hard to measure.

Many of us that have taken time to talk to our few farmers overseas know that losing a strong co-operative would mean losing a lot of revenue for NZ. We do not want to repeat the same mistakes as other countries have allowed to happen. This has occurred because competition within a country for milk supply is considered good - this is short term thinking only.

Ultimately it should be the NZ dairy farmer that controls the destiny - not over regulated on by government.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

#138

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, February 07, 2019 10:03:54 AM
Last Modified: Thursday, February 07, 2019 4:24:56 PM
Time Spent: 06:21:01
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.2: Does the DIRA encourage industry growth?

,

Section 3.5: Does the DIRA incentivise inefficient entry by large processors?

,

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

,

Section 3.7 Does the DIRA support competition in New Zealand consumer dairy markets?

,

Section 4.1: Options for DIRA open entry requirements

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

,

Section 4.3: Options for the base milk price calculation

,

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

,

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

I agree with the preliminary assessment of DIRA and growth

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

I agree with the analysis of DIRA impact on Processor entry.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

I believe large processors should not be allowed to purchase regulated milk from Fonterra. The capta required for a new processor to enter new Zealand should mean that these large businesses have the ability to enter the market and look for their own source of supply prior to starting their processing as part of the independence. The current regulations allow for a backstop for them and support for Fonterra suppliers who in essence are subsidising the new company in the first 3 years.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term “practically feasible” were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No, this is not needed. Fonterra within the terms of DIRA should be able to set this price as it is currently well monitored and within the regulations.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

I agree with the preliminary analysis on domestic consumer markets.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

The public has a right to be able to choose from a variety of different companies domestic milk products. This way it ensures variety and price selection for the public. However, it needs to be ensured that farmers are not subsidizing other milk companies to do this through the purchase of raw milk just so consumers have a choice. It needs to be fair from all angles.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

I think the options presented are far enough ranging as to give us a choice of which options will work best for the industry.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

With option 4.1.2 it could potentially pose a risk for marginal dairy farms that are located in the outer lying areas of the provinces if the farm was to sell that's currently supplying Fonterra and the new purchaser because of location is given no option to renegotiate a contract with a milk processor. Whilst it's ultimately a business decision as none of the other dairy companies would pick them up because of location/transport costs it does not allow the new purchaser to continue milking, whereupon they may not purchase the farm as a dairy unit or the farm is devalued to a drystock value. This is unfair on the farm vendor who may well have been supplying Fonterra and its predecessors for many many years. A provision would need to be made to protect current suppliers and prospective buyers.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

If the open entry requirements are well written and clear they should also provide for good regulatory practice. Fonterra must understand this as a minimum to meet the above points be allowed to refuse a contract to a farmer who does not meet the terms of supply either environmentally, animal welfare hygiene etc.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

My preferred option is to repeat the open entry requirements but have a policy in place that requires existing Fonterra suppliers to be protected as well as anyone purchasing an existing/current Fonterra supplying farm through a farm sale. This ensures the capital value of the farm as a dairy farm is maintained for by the existing vendor

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No, large processors most of whom are owned by overseas companies must be required to source their own milk supply. Let them have to access their own suppliers and attract the regulations that come with having your own farmer suppliers.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

This amount seems about right for small processors. It may be given some access and protection for the smaller businesses

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

None

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

I believe small domestic market suppliers who require under 30 million litres be allowed to still access raw milk from Fonterra under the guidelines. But all other processors must source their own supply. This is fair to all farmers.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

I th nk the current base m k pr ce ca cu at on shou d rema n as status quo w th commerce comm ss on mon tor ng

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Goodman f e der shou d over a set per od of t me ave o f nd ts own farmer supp ers as was the ntent on of the n t a DIRA set up. Sma er processors shou d be a owed up to 30m tres per year

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated mi k for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regula ory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Amend raw m k regu at ons to gradua y reduce goodman F e ders e g b ty to raw m k over t me. a ow ng them to choose to source the r own m k supp y or for another company to step n and supp y domest c market under these terms shou d GF choose not to pursue th s opt on.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

I th nk market dom nance s best cons dered through a mechan sm of market share thresho ds. The eve of th s market share to be worked through w th n the ndustry and comm s on.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

The ast opt on s the on y one wh ch meets a of the above. If the thresho d s set at a spec f c eve as negot ated there are no t me bounds for rev ews every year, or changes due to po t ca party/government changes, th s s a too wh ch essent a y bo s down to whether fonterra s cons dered a monopo y or not. Th s % can be negot ated as part of th s current rev ew.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)



PROACTIVELY RELEASED

#139

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Sunday, February 03, 2019 5:55:28 PM
Last Modified: Thursday, February 07, 2019 6:21:17 PM
Time Spent: Over a day
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit. **I wish to submit on all sections**

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Yes however rationale has shown to be incorrect

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence. **Respondent skipped this question**

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Farm entry/exit has allowed farmers to make decisions at any point to shift land use. This is evidenced in North and where farms have exited and then returned to dairy long over time. As a Fonterra Farmer I feel free to shift out of dairy long at any time

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Yes but the question should be "Is Fonterra's dominance having any negative impacts on farmers' incomes?" I believe it has been very positive both nationally and in regions such as North and

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Any cost on Fonterra due to DIRA should not be considered acceptable and voluntary. It is the cumulative impact that should be considered. It may take a 100 arrows to kill the elephant but which one killed it?

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Not completely. As a farmer suggesting my business decisions are based on a 1 in 40 share allocation that was retrospective (after the extra milk was produced) is a most mischievous. Any manipulation of the dividend through retention's etc are such a small % of income that they are minor and not relevant. Government influencing the NZ\$ has significantly more impact on farmers' income. Allowing new milk entry through MYMilk and deferred sharing up on yield affects a very small % of total milk. That recognises the importance of succession and young farmers entry into the coop.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

The transparency of Fonterra and its marketplace give the competing companies opportunity to lobby and campaign for the commercial benefit. I would like other milk exporters to be exposed to the same transparency through DIRA. Milk payments are clouded and it is difficult to make true inter-company comparisons by farmers. I think the Commerce Commission should publish the true numbers annually.

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

The Milk Price formula puts extreme pressure on Fonterra. From a national economy standpoint it is positive to driving the highest NZ milk price. Farmers trust the Milk Price formula.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

DIRA requirement for Fonterra to take a market driven volume strategy. Now perhaps we have the majority of stakeholders and industry more focus on value added growth strategy to occur. Fonterra should not be required to take a market under the new rules

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Some comments are relevant but primarily linking environmental rules to DIRA and Dairy are again mischievous and political. Immigration and democracy have a bigger negative impact on the environment. Where are the direct rvers - Canterbury?? But the Government is promoting Christchurch to build a stadium rather than stop putting human effluent into the river. Should we talk about Auckland? Don't disagree intensify farming impacts the environment and the industry is and will continue to manage this. But legislators should be honest and not vote catching.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

As above

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Often affordability is used as the excuse not to improve environmental performance. However there are different values placed on affordability between urban and rural people. This should be changed and removed away from political influences. This is the arena of the RMA not DIRA

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

There is sufficient export competition to remove the 50m litre subsidy. However the domestic market should still be protected to allow the operators protection. Perhaps the competitors should also deliver milk to new entrant companies?

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

NO, Richman in NZ had sufficient farms to provide milk to Goodman Fielder, yet chose to sell those and continue to get milk from Fonterra. I would like that to be a free and commercial decision. As a farmer would like the opportunity to capture some value for the essential high value product we deliver to our competitor. That extra money earned could go towards environmental improvements rather than private jets and luxury ships.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term “practically feasible” were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Disagree unless the Commerce Commission set the milk price for all companies. It would appear these comments are driven by overseas investors wanting cheaper milk from me as a farmer. This is not good for the country.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

As above. Let these overseas companies be subject to the same scrutiny that Fonterra is.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Only somewhat. Fresha Valley was formed prior to DIRA and to claim that as the only significant company outside Goodman Fielder's agricultural schism is dubious. DIRA after Fonterra has done little for domestic competition. I support Fonterra delivering milk to smaller domestic competition. However see comments re Goodman Fielder above.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

DIRA should protect farmers from monopolistic behavior. No other company is forced to accept supply so Fonterra should not either. Farmers are free to go - but DIRA removes risk assessment in that decision. Higher returns must have a risk attached. If as a Fonterra farmer should not have to be the backstop position for those farmers who chose to leave. I don't believe this change would decline Fonterra's performance. The number of farmers effected is small. The requirement for Fonterra to hold excess capacity is an advantage to its performance.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

North and South Island regions that are ongoing to a national competition gates. This is mainly commodity and transport infrastructure. If DIRA was to subsidize a competitor to start up in North and this would create even further economic change regionally for Fonterra. The company would have to recognize this by paying a transport differential on North and suppliers. The subsidized competition would then lower its price to North and farmers and the economic impact on the region would be disastrous. Our land values would drop and cost of finance would increase. All because subsidies through DIRA made it possible to establish under false economic conditions. DIRA should protect rather than threaten North and farmers.

It should be noted that North and South Island economic performance is greatly influenced by dairying and has boomed since the formation of Fonterra.

This is an important point that needs to be considered seriously.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

I support opt on 4.1.3. There are a m nor ty of farmers who create reputat ona damage and the mpact from a persona eve s huge. Ask any da ry farmer f they fee ke cr m na s n th s country.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

As above. 4.1.3. North and s a c ass c where a handfu of farmers destroy the reputat on of the rest and Fonterra can't do anyth ng and the current Reg ona Counc ru es don't a ow them to stop these farmers.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

A export ng compan es shou d be removed from that r ght. If they have the ab ty to add va greater than Fonterra then they wou d be ab e to pay Fonterra a h gher m k pr ce to get the m k. Domest c supp y shou d be protected as t s more eff c ent for Fonterra to supp y good qua ty m k to these processors. Goodman F e der shou d have to pay open market rates for the m k and be outs de DIRA regs.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Too h gh. The on y concern the Commerce Comm ss on shou d be focused on s domest c affa rs and regu at ng support to a start up to that eve s c ear y a subs dy. Over t me t d s orts bus ness pract ce. I wou d suggest 10 m on tres.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

As a farmer am not n the pos t on to q ant fy these. I have commented on the r sks as see them.

Q31 How well do you th nk each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Irre evant. Ther s enough compet t on n NZ to determ ne Fonterra's performance aga nst.

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Remove t. Reasons as above.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Status quo should exist. Currently the Commerce Commission can comment and any deviation from the current thoughts are noted and transparent. For the company and the self-interest of companies that have a strategy to pay as little to NZ for the milk will increase the lobbying to lower the milk price if set by a government agency. Driving Fonterra to pay the highest possible milk price is what is best for NZ and farmers.

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Anything that lowers the milk price decreases farmers profitability

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

First option best. Any lack of confidence is driven by commercial interests. I do not know of a farmer that lacks confidence in the milk price. If they want to challenge it they can through the Milk Commission

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

status quo. As above

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

As discussed earlier.

Smaller domestic processors should be protected. Goodman Fielder suspect would secede out of the milk business if it had to find its own milk supply and that indicates the value advantage Fonterra grants them through DIRA which reflects a loss in my earnings as a Fonterra Farmer.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

There are three areas where Fonterra could have market dominance-

1 - Export sales

2- Domestic sales

3- Farmer Suppliers.

I think there should be no regulations on Fonterra relating to any company exporting.

I think domestic behavior should be monitored via the Commerce Commission rather than regulation.

The concern I have is the Terms and Conditions of Supply for the farmers. Here I think it should be a requirement that the Shareholder Council approve via a resolution any changes to the terms. This would be done via the Fonterra Constitution.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

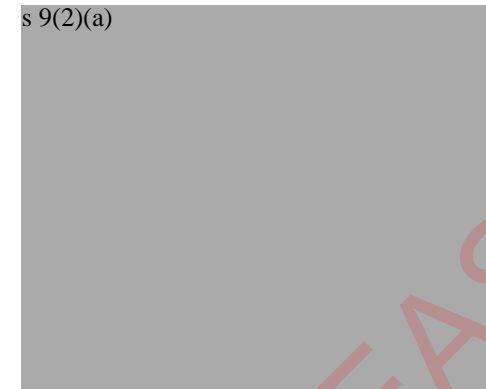
Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)



PROACTIVELY RELEASED

#140

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, February 07, 2019 6:09:26 PM
Last Modified: Thursday, February 07, 2019 7:07:49 PM
Time Spent: 00:58:23
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit. **I wish to submit on all sections**

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

No it is no longer valid due to Fonterra's overall percentage of supply dropping due to significant new entrants. The number of processors has grown

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

not that I am aware of

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes and now Fonterra isn't as dominant with significant number of new entrants into processing that's time to change DIRA

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

They are still the largest processor but not because off shore companies are eroding suppliers

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes it does. Fonterra has spent millions of dollars on stainless steel to deal with peak milk. The entrants take their allocated milk on the shoulders and then in the peak let Fonterra deal with it. Hence they are very efficient and Fonterra isn't. Also the free right of entry into Fonterra is a cost as we have to peak up milk from new suppliers even if it's not prudent business. Also the milk that is supplied to the startup/new entrants is at market price hence it costs Fonterra the margin it could make from added value products.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Not really. Fonterra needs to be able to decide whether to pick up new suppliers or not. If it's not good business then they should have the right to just leave any business. The shareholders of Fonterra are subsidising them otherwise.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Not that I am aware. I think you are missing the point. Fonterra is not as dominant as it once was and will continue to be weakened by free entry and setup of off-shore processors is not stopped.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Only that Fonterra is continuing to weaken at offshore processors benefit, long term not a good thing for the NZ economy.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

No I don't agree. It hasn't achieved growth it has achieved segmentation of the dairy industry with off-shore processors entering at Fonterra and ultimately NZ expense.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

I think China has more influence on supply via price than Fonterra as was shown when they fixed the futures in recent years.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views. **Respondent skipped this question**

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Not entirely sure what your points are.
Milk price models very clear.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

DIRA is not driving it, more that is hindering its performance. Fonterra's leadership team is driving the business model.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

No moderation and taking some time as not to create individual and communities

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No, how is that commercial? They need to stand on their own business performance. As that is achieving making Fonterra more efficient. I'm sure these large dairy processors would not be keen to provide small start-up companies milk.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No Fonterra needs to be allowed to run its own business as others are without any potential interference

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Definitely not. This is a cooperative that is owned by 10000 hard working suppliers who constantly get affected by the interference of other parties. Other companies are continuously pricing the milk price off Fonterra's

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

not sure

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No - Fonterra requires the right to any other processor to decide whether they will pick up new supply

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

If Fonterra could decide then it would allow them to operate more efficiently and hence continue to provide a viable future for its suppliers and then NZ

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

That Fonterra has the right to decide whether they pick up new supply.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

They need to stand on their own business performance not the suppliers of Fonterra

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

To high it needs to be based on helping small start up NZ companies not large affluent offshore companies setup to secure food sources for the country.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

As a ready sa d Fonterra wou d be more eff cent and hence cont nue to support NZs way of fe nto the future

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a prefer ed option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Leave t as Fon erra has current y

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Goodman Fielder should not have access to regulated milk they are a large company which in turn supplies supermarkets and pays them incentives not to stock Fonterra brands

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

DIRA should now cease as it is doing long term serious damage to NZ economy negative due to offshore competitors being subsidised

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

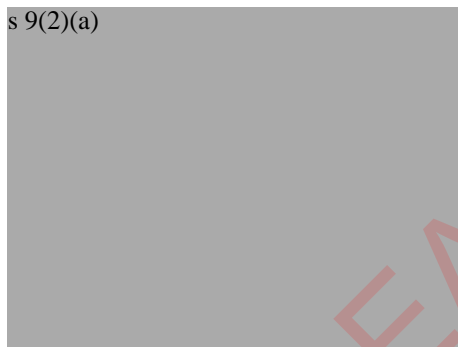
Address

C ty/Town

Ema Address

Phone Number

s 9(2)(a)



#142

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, February 07, 2019 8:24:50 PM
Last Modified: Thursday, February 07, 2019 8:44:33 PM
Time Spent: 00:19:43
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 2.1: 2001 structural reform to enable the industry to drive strategic change

,

Section 2.2: Industry performance since the restructure

,

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

,

Section 3.2: Does the DIRA encourage industry growth?

,

Section 3.4: Does the DIRA impact on the industry's environmental performance?

,

Section 3.5: Does the DIRA incentivise inefficient entry by large processors?

,

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

,

Section 3.7: Does the DIRA support competition in New Zealand consumer dairy markets?

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

We believe that DIRA has achieved what it set out to do and as a result New Zealand dairy farmers have competitive options as to who to supply the milk to and New Zealanders have a wide range of competitive processed dairy products to purchase in the supermarket. However, there have been significant changes within the New Zealand dairy markets since the inception of DIRA and as such changes are needed to ensure that it is effective in the future.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

N/A

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes. DIRA has been effective at preventing Fonterra's dominance as Fonterra's market share has steadily fallen and is key to continue to fall. In a relatively short time two regions of New Zealand and there are competing dairy companies that farmers can supply instead of Fonterra.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Yes but its dominance is falling and is key to continue to fall with increasing competition. Therefore, DIRA needs to be modernised to ensure that New Zealand dairy farmers are competitive on the world market. Over capacity within the industry will lessen our competitiveness in the world market and cause problems that are currently seen in the red meat industry.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Not in 2015/16 and beforehand (as in Commerce Commission report) but going forward, if Open Entry is retained there is the risk of significant unreasonable costs. Manufacturing capacity will have to be built and held for milk supply that Fonterra may never get.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

No - the current DIRA model needs to be updated to remove Open Entry.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

N/A

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

N/A

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Yes - DIRA has allowed growth but has not necessarily driven it.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

We largely agree although feel that the Open Entry has the ability to have much more of a negative impact on the industry's environmental performance than indicated in your analysis.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

No. Forcing Fonterra to accept whatever suppliers regardless of the environmental record or the environmental impacts of the proposed supply is detrimental to the New Zealand environment. Fonterra should have the choice to act in an environmentally responsible manner and to be able to refuse supply from such farms.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

N/A

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Yes largely agree.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No. Large processors do not need this access. At least one has been successful.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No. This term is difficult to define and we feel that a definition is not required as sufficient commentary and guidance is already provided by the Commerce Commission.

Q21 Do you consider that the base milk price should be set by an independent body (e.g. the Commerce Commission)? If so, please provide supporting information.

No. The current process that is used to set the milk price is robust and is understood. There is no need to make a change.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes. Domestic customers in New Zealand have a wide range of dairy products to choose from and there is price competition. It is disappointing that no other milk processors have shown much interest in supplying the domestic market but this may indicate that the margins are not as good as those to be made on the export market. We support the continued requirement of Fonterra to supply milk to Goodman Fielder and other small processors that are focused on the domestic market.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

N/A

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

#143

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Monday, December 17, 2018 4:17:29 AM
Last Modified: Thursday, February 07, 2019 9:12:38 PM
Time Spent: Over a month
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Not in all regions. Where there is competition such as Southland, Canterbury and the Waikato, Fonterra has dropped below 80% of the milk produced in the region.

Other areas where there is no competition they still have dominance solely due to the fact that the competition chooses not to set up processing in these regions as it doesn't make economic sense.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes we do. We believe that open entry currently requires Fonterra to pick up milk from farms that are outside the economic transport zone. They are required to pick up milk from areas such as the Mackenzie Basin and Teanau Basin that require long hauls with high costs per litre.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

The only solution we can see is by removing the open entry when there is sufficient evidence to prove that the cost of transport outlays the returns to process the milk on an ongoing term basis.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Regulating the threshold of expiry provisions for DIRA when the major payer in the regions market share of milk drops below 75%.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Yes whether you believe that New Zealand requires a strong co-operative, a national champion that can stand the test of time and keep contributing to the economies of regions New Zealand and remain competitive on the world stage

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Yes I do agree. It has been successful in a high growth period of supply and given many and owners opportunity to change and use. Now as production in New Zealand reduces due to change of a use away from dairy and environmental restrictions then parts of DIRA especially around open entry are less relevant

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

No

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views. Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons? Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views. Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

DIRA open entry has created a headache for Fonterra around reputation risk. Some farmers may not meet the standard required to supply but currently Fonterra must accept their application to supply providing they have a consent by their regional council to operate. Examples of this are where a supplier will continue to breach consent but providing they correct their procedures short term then Fonterra is obligated to pick up their milk. If they reoffend then currently Fonterra does not have the ability to say three strikes and your out.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

They are linked. Under the Resource Management Act you have a legal requirement to manage New Zealand's natural resources. To supply Fonterra we must meet a terms of supply that has an environmental standard. In extreme cases if we breach the standard at regional authority level then Fonterra can cease picking up your milk. Note that I said extreme cases. So Fonterra has an obligation to pick up the milk and around reputation should have a more stringent ability to decline a supplier's milk pick up if they have breached environmental conditions that affect our natural resources that are regulated under the Resource Management Act.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

The strains put on local authorities infrastructure when new processing plants set up within the authorities boundaries. Mataura Valley Milk have access to the use of the waste water treatment plant in Gore and this has put pressure on the infrastructure to operate efficiently and effectively.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No. The current milk price regime is robust, transparent and works well, why do you need to change it.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No. This is inappropriate. The current system is very transparent and using the Commerce Commission intervening would not create any better outcome.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

As mentioned in an earlier answer the regulatory model on open entry/exit. We would like to see DIRA removed when Fonterra's market share in a region drops below 75%.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

The current option 4.1.1: Status Quo costs our business in several ways.

1. It means that we have to provide capital to Fonterra to hold infrastructure to process milk that they may or may not receive. My estimate for our business alone is \$0.20/s are held in the Co-op.
2. The suppliers that leave the co-op leave knowing that they have the option to come back at any time as it is open entry. This again requires the capital to have processing in place, only capital.
3. By removing the Status Quo the Co-op will become more efficient in utilisation of processing assets as it manages supply knowing it has more accuracy around the quantities that will be dealing with. It will then be able to concentrate on delivering better stream returns from products that return better value to the shareholders.
4. Pressure on the Co-op's management to perform is driven by the owners of it (the suppliers). Never has there been more attention in the Co-ops short history of desire from the owners for the Co-op to drive performance than now.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Have covered this above

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these. **Respondent skipped this question**

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

30 million provided they are New Zealand owned company with intentions of remaining a New Zealand owned company.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

The main costs to our business if a foreign processor takes regulated milk to sell to international markets would be the inability for Fonterra to capture the New Zealand story of paddock to consumer. The foreign owned processing companies will capture the premium for the product that we could obtain for New Zealand and return the profits back to New Zealand and economy.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost effectiveness and timeliness of regulatory processes? **Respondent skipped this question**

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Exclude large processors.

Don't allow majority share foreign investment into processing companies that provide capital but remove future earnings and New Zealand and Inc misuses the opportunity.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these. **Respondent skipped this question**

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible. **Respondent skipped this question**

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

The status quo.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

As a ready ment oned the reg ona based thresho ds.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

C ty/Town

Ema Address

Phone Numbe

s 9(2)(a)

#146

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, February 07, 2019 9:12:24 PM
Last Modified: Thursday, February 07, 2019 9:35:01 PM
Time Spent: 00:22:36
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 4.1: Options for DIRA open entry requirements

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

I don't believe that Fonterra should have open entry anymore. I think that Fonterra should have the option to pick up milk from people that they want as shareholders not because they purchase a dairy farm somewhere. I think that having to collect milk from the proposed mega farm in the McKenzie basin is wrong and doesn't fit in with the environmental aspect of Fonterra. Why should we have to accept that milk?

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

The costs are that we as existing shareholders have to fund the growth strategy of this new farm whilst they share up.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

In marginal areas that are difficult to produce milk why should we be forced to subsidise these new shareholders into the company by accepting the risk.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

I believe that the open entry requirements be removed so that Fonterra has the chance to pick who it wants as suppliers not to be forced into who its suppliers are.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Market dominance is hard to measure. It could be through the levels of supply of milk. It is hard to measure output when a lot of the processors are just exporting the end products straight out of the country. One way is to monitor supply levels in regions. Once thresholds have been exceeded by other processors then reviews need to happen.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Why not just have a finite time on DIRA. By saying that in 5 or 10 years DIRA is going to be removed then independent processors will need to be established in the country in order to benefit from Fonterra. After this date Fonterra doesn't have to supply start-ups with any milk.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

My business would benefit from this as new factors won't have to be built by Fonterra with the thinking that we have to pick up everyone's milk. Our capital can be invested into other areas rather than stainless steel.

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

I think that they will benefit everyone.

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

A finite time would be the best option that way Fonterra is able to plan a better strategy going forward without the worries of having to accept milk from anyone and no that they only have to provide processors with raw milk for a limited time.

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

I believe that it is time to look after the interests of the Fonterra shareholders now who have been looking after the independent processors that come into New Zealand, produce products that are then exported out of the country and money taken off shore

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

#147

COMPLETE

Collector: Web L nk 1 (Web L nk)
Started: Thursday, February 07, 2019 7:34:19 PM
Last Modified: Thursday, February 07, 2019 9:49:20 PM
Time Spent: 02:15:01
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 4.1: Options for DIRA open entry requirements

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmer's milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Fonterra should be able to select or decline supply based on that new supply meeting Fonterra standards. Fonterra should not be forced into the cost of more stainless steel to process milk that is inefficient to collect and finishes up deducting payment across the Co-Operative

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Being allowed to choose or decline new supply would allow Fonterra the opportunity to assess the value or lack of, in its decisions and therefore add value to the Co-Op.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Under the present regime there is a risk to the Co-op from a supplier who does not comply to the regulations and therefore damages the Fonterra reputation which could have a financial impact to ALL Fonterra shareholders.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views

Amend the DIRA open entry requirements to allow Fonterra to decline to accept applications from new and existing supply. This option would be effective in meeting the objective of minimising unintended consequences while preserving the effectiveness of DIRA in achieving the management of Fonterra's dominance

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

The requirement for Fonterra to provide regulated milk should cease once that processor has its own supply rather than the compulsory three year period.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Happy with the 30 million litre threshold

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

The cost to Fonterra in supplying regulated milk to large processors is the ability to compete in the global market. Large processors are looking to the export market and should not be subsidised with regulated milk to allow them to do that.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Large dairy processors should be able to perform without relying on regulated milk.

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Amend the eligibility provisions in the raw milk regulations to exclude large dairy processors.

This would be effective in ensuring that access to regulated milk from Fonterra is targeted to dairy processors who need it to be able to compete in the NZ domestic market and maintaining competition on price.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Market dominance should only be measured where there is no other choice of supply and in a other areas the threshold should be lowered to reflect that position.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

The threshold should be lowered and DIRA expired in areas where competition to supply is available. This should replace the National percentage regime presently in place.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Less regulated milk required therefore allowing Fonterra the option of where to place that milk.

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Amend the DIRA to require periodic reviews of competition in the dairy industry to determine whether the DIRA regime should be retained, repealed or amended.

An effective option in balancing the risk of regulating Fonterra for longer than necessary with the risk of removing regulation too early.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)



#148

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Saturday, December 29, 2018 9:42:22 AM
Last Modified: Thursday, February 07, 2019 10:23:11 PM
Time Spent: Over a month
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

DIRA was set up to protect farmers and give them certainty and freedom to 'vote with their feet' but the onus of requirement for transparency solely on Fonterra and independent processors can lock farmers in with no definite market price (relative to Fonterra's) and will not allow the average market price paid to be scrutinised so as providing the exact conditions for farmers looking to supply other processors DIRA was set up to prevent. Independent processors are exploiting this vagueness and the farmers per who get locked into supply contracts and cannot openly return to Fonterra even if they wish to. All processors should be required to submit the average market price audited by MP.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

The use of the words 'dominant processor' when referring to Fonterra must be dropped. Fonterra is the only processor as its market share, the others are growing as fast as the capacity or markets allow. How does this make it dominant? Yes it is bigger but that was the farmers' intent when it was formed, so the collective strength should not be used against itself.

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Fonterra has lost market share but this uncertainty of this would have happened with or without DIRA, assuming there would always be an exit strategy for farmer shareholders. The drive to supply is driven largely by (but not exclusively to) the ability to free up capacity, not because of DIRA.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No, not unless your only measure of dominance is market share, but since dominant is attracting new suppliers, new younger suppliers or first farm buyers, then the answer is probably not.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes, open entry is having a significant cost both financially and intangibly. There is no question some returning suppliers that are 'forced out' of corporate processors are costing Fonterra more than the milk is worth to get the farms up to speed environmentally and hygienically. However, I think the intangible cost of being the default processor has a much higher cost and erodes shareholder pride and respect for the processor. A bit like a social club that members leave but the captain keeps allowing them back in, over time, you lose respect for the captain. Open entry is no different and does drive a huge intangible cost of the co-op with the loss of pride and respect.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Fonterra reserves the right to access new or returning suppliers on a case by case basis. If the returning supplier does not meet Fonterra standards, it should not be required to take them, this should be the farmers cost, not Fonterra's.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Yes, DIRA has not been effective for a NZ, many parts of the country have no other processors, so is not providing any mitigation for farmers, yet Fonterra has not imposed any undue costs on these suppliers even though there could well be a business case to do so. DIRA has not been effective in giving farmers options, but has allowed corporate processors to cherry pick the supply base, without having any industry responsibility to the remaining farmers.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

DIRA has allowed for industry growth but recently that growth is going to corporate processors as new milk has not required the farmer to cover the processing and marketing costs (Shares). This has fuelled conversions and expansion, as well as a surge in capacity and values but not necessarily matched with value for NZ as much of this money is overseas funded, and profits in processing and marketing (value added) will return overseas. So while the milk bubble may grow quicker without the requirement for farmers to own their share of the value added business, ultimately it will erode the value of the industry for NZ.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Not at all, why is the milk price in Kaikoura where there is no competition the same as the milk price in Canterbury. Fonterra has shown it is a true co-operative and not used its scale against farmers. It has recognised the fact farmers own it and it's first responsibility is to them. DIRA is no longer required as the co-operative principals Fonterra have proven to be loyal to have had a stronger influence than DIRA. Of the dominant processor was a corporate, DIRA rules would be a requirement absolutely.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views. **Respondent skipped this question**

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Very transparently reviewed and audited, but the formula is not tinkered with, and stays transparent. As mentioned earlier however, a processor's base milk price must be transparent to protect farmers, not just Fonterra's.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

It's co-operative principles. DIRA seems to be written for a corporate, but applied to a co-operative. I suppose standard MPI takes this approach, but I believe underestimate the co-operative principles Fonterra run to, and that having industry regulation setting a milk price when the co-operative is already exceeding its milk price expectations is its core philosophy of driving money into the milk price doesn't fit the expectation of what a processor would ordinarily do.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Open entry makes a mockery of Fonterra's ability to maintain or lift standards. Farmers meeting a base environmental standard and having DIRA guarantee them entry is a long way from expected or preferred environmental standards. Fonterra must retain the ability to access any supplier and decide automatically of right.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes, as it must cover a processor's equality, and not a Fonterra supply requirement.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

An environmental and people welfare should be outside of DIRA.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Yes, there is a 10c/kgms advantage for cherry picking where to buy and which suppliers to take which is not being passed on to farmers and therefore not to NZ agriculture, but is money dropping out of the industry every year.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Not in areas with 20% competition already in place. Restrict to new regions for a while.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

It ain't broke, don't fix it. Fonterra may be guilty of one thing for any, and that's driving the milk price up. How is that a problem. There is only one stakeholder that may have an issue with that and that is privately owned processors, but they are not the ones driving the industry and farmers forward.

Q21 Do you consider that the base milk price should be set by an independent body (e.g. the Commerce Commission)? If so, please provide supporting information.

NO, but the formula reviewed and audited by them as it is now.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

If domestic prices are a major consideration DIRA should require the 20% market share of supply be reflected in domestic shelf brands by requiring independent processors to either have a domestic brand or supply the relative volume to DIRA milk for processing by Goodman Feder.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

If a company is exposed using DIRA milk supplied for domestic milk purposes, exporting milk under that brand, it should have it's access to regulated milk revoked

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

I prefer 4.2 but think it is nearly very close to 4.1.3 as Fonterra would fight open entry for a most amount anyway, except that that would fall into the regulation of 4.1.3.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

As mentioned previously, reputational value or pride would be worth more than the financial gain, but is a huge value none the less.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

4.1.1 (status quo) is the only option that really fits the NZ dairy industry as it drives down the average, and allows lowering standards and destroys industry value, it is the only option I would not like to see retained.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

4.1.2. Removed altogether and let Fonterra compete for milk open without the requirement to have to.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

4.2.2, Amend the eligibility requirements. Exclude the large export orientated processors but support local brands processors.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible. **Respondent skipped this question**

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes? **Respondent skipped this question**

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

I don't think there's a problem with any of the options even 4.3.3 as Fonterra could still produce the raw milk price independent of the base price the Comcom would come up with, but what has to become part of DIRA is that all processors publish the raw base price whether that be above or below the comcom MP and all calculations independently audited.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

The burden spread amongst all processors with no domestic brand. GF can not use regulated milk for international markets.

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Regulated milk has a negative RoI for Fonterra so it's costing me as a Fonterra shareholder to support the local market. I am happy with this to provide domestic competition but believe it's the industry's responsibility, not Fonterra's.

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

4.4.2 is not desirable, as increasing GF's supply would only see them export more. If anything the raw supply should reduce as they have elected to exit the fresh milk market in the South Islands.

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

4.4.3 is my preferred option. Phase out the regulated milk and GF must buy raw milk at a negotiated rate. There is a ready plenty of options for them to purchase raw milk from other processors if Fonterra try to force the price up, so the increased level of supply competition in NZ has now that it didn't have in 2002 has solved the domestic supply problem too. It should be phased out and the market left to float.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Market dominance has no relevance to supply volumes or percentage. Fonterra was formed because farmers understood standing together had international benefits and was good for the entire industry. The reducing market share shows that it is no longer dominant so we must maintain its international competitiveness for a lot of NZ's benefit without allowing more volume to send to foreign control. Until Fonterra wins back as many farmers as it is losing it can not be said to have market dominance.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

We must carefully consider the value of providing competition options for farmers vs the value lost to the industry if we lose Fonterra. Having plenty of competition is not necessarily a good thing. Australia has provided a perfect glimpse of what too much competition can do to an industry, which is a most interesting international comparison. Having the ability to switch processors may give a farmer some relief and not feel controlled, but it is a short term win, as the industry struggles to control and maintain supply standards, and can lead to a competitive marketplace where the processor retains less and less capital for reinvestment, and ultimately undermines the whole industry. This must not be allowed to happen in NZ and Fonterra must be allowed to control entry supply and grow as they require milk, and not have it forced upon them.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

DIRA is 18 years old and Fonterra still has around 80% market share. This significant position shows NZ farmers are fully behind the co-operative model, and the benefits to the industry are worth a lot more than the shareholder dividends.

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

4.5.4 is the preferred option. The market competition is significant enough now to allow options for farmers, yet leaves Fonterra of significant enough scale to be of major benefit to the industry and a lot of NZ. Allowing it to be eroded any further by egos at the top would not be good for NZ. A staged removal over five years. The risk to NZ is too high leaving it to erode any further, and waiting for 70% stake waiting for a carrier to reach your elbow before operating on your finger. DIRA has served the NZ dairy industry well, and has had its pace, but it's time and pace is done, and it is no longer protecting the NZ dairy industry, but blocking it.

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

It's fundamental to understand that what's good for Fonterra, is good for NZ. I would not make that statement if Fonterra was a corporate, but as a co-op it's a ready regulated body that's own constitution to do it's best for it's farmer shareholders, and protect them. DIRA is no longer required to protect them as the co-op values are already doing that for a lot of the industry. We have a so to be careful to protect farmers and the country from the capital extraction of shares which is tempted to us from the corporates which would ultimately lead to the decline of the industry, as in Australia. DIRA must protect the industry by supporting Fonterra, and making it attractive to retain ownership of processing and marketing, and not turn the industry into a run on historic capital.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name
Company
Address
Address line 2
City/Town
Email Address
Phone Number

s 9(2)(a)



#149

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, February 07, 2019 9:29:03 PM
Last Modified: Thursday, February 07, 2019 10:47:54 PM
Time Spent: 01:18:51
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Section 2.1: 2001 structural reform to enable the industry to drive strategic change

Section 2.2: Industry performance since the restructure

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

Section 3.2: Does the DIRA encourage industry growth?

Section 3.3: Does the DIRA influence Fonterra's strategy?

Section 3.4: Does the DIRA impact on the industry's environmental performance?

Section 3.5: Does the DIRA incentivise inefficient entry by large processors?

Section 4.1: Options for DIRA open entry requirements

Page 2 Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

I Agreed with it at the start, but it is no longer valid

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

The growth of other outside investors in the milk industry is not clear and documented, making it harder to make an informed decision

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

yes BUT IT IS NOW COSTING US AS FARMERS AND SUPPLIERS

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

NO MOST OF THE DAIRY REGIONS HAVE CHOSE TO SUPPLY NORTHLAND DOES NOT

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

YES THE OPEN ENTRY EXIT DOES TO REMAINING FARMERS
COST OF SURPLUS PLANT
COST OF MOVING MILK FROM PLANT TO PLANT

THE COST OF SUPPLYING NEW MILK PROCESSERS START UP IS WRONG THEY SHOULD BE STAND ALONE

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

AS ABOVE

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

DIRA NEEDS TO BE FAIR ON EVERYBODY

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

DIRA HAS ENCOURAGED SOME GROWTH IN SOME AREAS BUT A COST TO OTHER FARMERS

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

THE PRICING NEEDS A LOT MORE THOUGHT

ALL MILK NEEDS TO BE COLLECTED

REGIONAL PRICING WILL BE DETRIMENTAL TO SOME SMALLER OUTLIER FARMERS WHO HAVE PAID THEIR SHARES AND LOYAL SUPPLIERS

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views. **Respondent skipped this question**

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

ALL COMPANIES NEED THE SAME MILK PRICE CALCULATION TO MAKE IT FAIR AND TRANSPARENT AND EQUAL

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

DIRA IS DRIVING FONTERRA INVESTMENT STRATEGY OPEN/EXIT ENTRY
SUPPORTING OTHER/NEW COMPANIES

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

THERE ARE OTHER ENVIRONMENT ENFORCEMENT GROUPS THAT CAN MONITOR THIS AT LOCAL AND REGIONAL LEVELS

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

YES

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means? **Respondent skipped this question**

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

YES

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

NO

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

YES PROVIDE EVERY COMPANY IS DOING IT THE SAME

Q21 Do you consider that the base milk price should be set by an independent body (e.g. the Commerce Commission)? If so, please provide supporting information.

NO

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

YES BUT THIS IS NOT DRIVEN BY MILK COMPANIES IT IS FROM OUT SIDE BUYERS MAKING A PROFIT ,
(SUPERMARKETS)

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

YES SO WE NEED TO MAKE SURE THAT WE ARE NOT SUBSIDIZING DOMESTIC MARKETS

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

YES FONTERRA SHOULD BE ABLE TO DECLINE SUPPLY IF IT ADDS COST TO REMAINING SUPPLIERS

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

AS ALL OF THE ABOVE

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

ONLY TO SUPPLY MILK TO OTHER COMPANIES THAT HAS A POSITIVES GAIN TO FONNTERRA
ALL EXPORTTING COMPNYS NO

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

THIS IS TO HIGH
NO MORE THAN EIGHT TO TEN M LTRS

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

STATUS QUO BUT ALL COMPAIES ON THE SAME

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

GOODMAN FIELDS SHOULD BE EXCEMPT FROM DIRA

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

DIRA REVIEW NEEDS TO TAKE PLACE ON A MORE REGULAR TIME FRAME TO BE FAIR ON EVERY BODY

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

City/Town

Email Address

Phone Number

s 9(2)(a)

#150

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, February 07, 2019 9:55:06 PM
Last Modified: Friday, February 08, 2019 1:33:09 AM
Time Spent: 03:38:03
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

I think the original policy rationale is now no longer as valid as it was. Time has moved on, the dairy industry is vastly different and DIRA now needs to move with the times to become relevant. It has controlled Fonterra from using any dominance to control the supply of Milk from Farmers, and control of domestic consumer markets. However now there is real competition and Fonterra Farmers have a constitutionally enshrined unique payment method in the Milk Price Manual that provides market lead incentives and price protection for the Farmers. In addition to that we now have Global Dairy Trade auctions and TAF which offer further protection, transparency and incentives for the Co-operative to perform efficiently. Now DIRA adversely hinders farmers who supply Fonterra as it has restrictions placed on it that other Dairy processors don't have.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

DIRA has controlled Fonterra, but now it should let it loose to compete fairly with other processors. It should have the ability to control entry of its members like other processors.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No. There's real competition in my area and in most other areas. Fonterra's size often seems to work against it rather than for it when competing for milk supply. Milk Price matters and other processors can choose the suppliers which gives them the ability to have lower costs and easily compete. Fonterra's obvious difference is that it's a Co-operative competing against Corporate Processors and Farmers must buy shares therefore it will never be dominant again - It's a costly choice to supply milk to it. As it's not dominant because it has to perform to attract farmers and capital, it also has a lot of spare process capacity now which it must work hard to fill.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes. Open entry has meant Fonterra or more accurately existing Fonterra Farmers have had to effectively underwrite the cost of extra capacity to allow for any Farmer and Processor to enter. This is a true business cost that other processors don't have. I am also concerned easy access to further Overseas Processors will create stranded assets that will be at the cost of Fonterra farmers and yet won't create any more increase in export volume for NZ.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Yes. Allow Fonterra to control its entry of Farmer suppliers and therefore give it the ability to plan the capacity it needs.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

We need to consider the future of the Dairy Industry, do we want it to be in the hands of a few wealthy business families and corporate giants like what has happened to many overseas countries or do we want it still in the control of ten thousand small businesses and families like the last 100 years. We should be proud of our New Zealand owned Co-operatives and how successful they can be, why can't they be strong and encouraged to perform for the good of New Zealand. It must also be remembered that we need to compete on the world stage and any hindrance and cost here on only makes us less competitive out in the true market place.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Strong international demand for milk products, high Milk Prices and robust company profits encourages growth. DIRA hasn't encouraged any extra industry growth. Helping other processors get established has created extra competition but any extra growth that wasn't going to happen.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Milk Supply is definitely influenced by price but Fonterra can't adjust its price in any significant way like other processors are able to, because it's limited by the milk price manual. This is ever y protects Farmers and Shareholders/ Unitholders so that they receive the true value of the product whether that be high or low. This means Fonterra can't strategically adjust it for its own advantage (the times it has had to adjust it have been on a normal way) but rather must pay it out fairly to either the farmer or the investor/shareholder / unitholder. Its a very clever tool which is often not fully understood or appreciated by Farmers but it prevents the Co-operative paying out too much and the farmer for not getting what's fair for them. Its the other processors which can and do adjust the milk price to influence volume or gain supply.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views. **Respondent skipped this question**

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

The Milk Price calculation definitely makes it tough sometimes for the Farmer or for the Co-operative but it always pays out to where it has been earned and creates good tensions to encourage Fonterra management to efficiently process milk and to drive towards higher value products. I think the system works as it is.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Other than making allowance for open entry, true market demand and its profitability is driving Fonterra's business strategy and that's how it should be.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Open entry can have an impact on the environment and definitely creates reputational risk for Fonterra through no fault of its own.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes, though Fonterra should be able to exclude any new Farmers from entry therefore limiting environmental risk to certain areas.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

No.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

I think other large processors do undermine Fonterra's competitive advantage overseas. Fonterra has access and competes in almost all countries and therefore it's normal business practice that they will be paid off against another New Zealand supplier.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No. Why should a Fonterra Farmer have to help a competitor get established against themselves. They don't seem to create anything new other than another Powder Dryer exporting overseas to undermine our own prices. There's enough competition now with more processors risking stranded assets. If new processors are continually allowed to purchase regulated milk then it would seem fair that they must purchase that so from the other existing processors according to the size. Allowing more processors into New Zealand will only create a downward spiral of lowering the price paid for milk to the New Zealand farmer.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No. The Milk Price Calculation serves Fonterra Farmers and Fonterra well. It creates healthy tensions to make Fonterra management perform efficiently and it's market driven creating value where value truly is. It's also good for all other farmers who supply other company's by providing a true and accurate value for milk rather than driving down the value of milk.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No. The Milk Price Panel are already doing a good job and are up to the task. This is not a task for the Commerce Commission.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes there seems to be enough domestic competition.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Large Dairy processors such as Goodman Fielder should be encouraged to secure their own supply rather than rely on Fonterra, or they should also be supplied from the other processors according to the size.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Don't have open entry. Better for Fonterra choose its new suppliers just like the other companies.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Open entry is a continuous cost to Fonterra and therefore indirectly to me as a shareholder. Fonterra should have to retain a existing suppliers but have the choice to economically or environmentally decide who its new suppliers are. I have to underwrite the risk of my neighbour who decides to go to the competitor and then come back to Fonterra in 3 years time. It's just a plain unfair business practice. Why should I have to underwrite the risk my neighbouring farmer takes by changing processor.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Repe open entry. It now shouldn't be about good regulatory practice but about good business practice.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Repe open entry. Move forward, there is now enough competition, make it fair and reasonable to all

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Yes. Collect milk from other processors according to the size, not just Fonterra.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Market Dom nance shou d be cons dered reg on by reg on w th the cr ter a of whether there was another compet tor. Th s wou d he p prevent stranded assets n certa n areas.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Exp ry prov s ons shou d be cons der from a reg ona bas s regard ng compet t on and market share.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review

Name

Company

Add ess

Address ne 2

C ty/Town

Ema Address

Phone Number

s 9(2)(a)

#151

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Friday, February 08, 2019 12:57:53 AM
Last Modified: Friday, February 08, 2019 1:45:01 AM
Time Spent: 00:47:08
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Mostly

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes - open entry and exit supports this

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Yes

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

No on any opportunity loss from not being able to command more value from the 50m litres they must supply to competitors

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

No longer having to supply 50m litres to overseas owned competitors will help.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Yes - OCC, Snares, Oceanic, Milkmaid, Maitland Valley, and the two Chinese factories prove that

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Yes

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

No

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

It is naive to suggest that DIRA doesn't drive strategy and investment when the regulations require milk collection from all Fonterra shareholders thus forces a commodity and volume based strategy.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Its the TA's and Reg on a couns that have fa ed to protect the env ronment, that s the r ro e not DIRA

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Compet t on for supp y encourages Fonterra to perform better so as not to ose supp y to new entrants, or ex st ng compet tors

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Not f they are fore gn owned

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Abso ute y not. That s ot, nor shou d t ever be the Commerce Comm ss on's ro e

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Supp y ng Goodman F e der s the requ red outcome of Fonterras dom nance. Wh e st a duopo y t s transparency for NZ consumers

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Status Quo -The price of domestic milk being a safety net for all NZ farmers

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

4.22 - Amend so that no overseas owned companies are eligible to the 50m tonnes

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

4.3.1 - status quo

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

4.4.3 amend to reduce over time.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

4.5.2 amend to review regulatory - 5 yearly?

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

s 9(2)(a)

Name

Ema Address

A large grey rectangular box redacting contact details.

PROACTIVELY RELEASED

#152

COMPLETE

Collector: Web L nk 1 (Web L nk)
Started: Fr day, February 08, 2019 6:07:30 AM
Last Modified: Fr day, February 08, 2019 7:22:01 AM
Time Spent: 01:14:31
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 4.1: Options for DIRA open entry requirements

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No, I think that the option to repeat this provision is the most sensible.

All other processors in the market have control over the milk supply.

I understand the importance of regulating entry & exit at the formation of Fonterra where the co-op held a dominant position but in the current environment where Fonterra's share of raw milk is about 80% the co-op needs to be able to operate in the same commercial environment as other processors.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

If the existing entry/exit regulation is maintained then Fonterra will need to continue to make provision to process additional milk volumes that may be in the market as a result of an existing processor failing for a number of reasons e.g. not financially sustainable, or a major plant failure.

The capacity required for building this capacity is borne by the co-op shareholders which ultimately will impact on the financial return, this is aside from the cost of maintaining processing plant that is not fully utilized but required in case substantial additional milk arrives.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Fonterra needs to be able to operate in a level commercial playing field.

Fonterra will continue to lose its dominant position regarding its share of raw milk.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views

Repeat this provision, as a ready stated Fonterra cooperative needs to operate on a level commercial playing field.

This will drive sensible investment decisions with regards to both processing as well as potential adding value to existing milk.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

A large grey rectangular box redacting the contact details provided in the form fields.

PROACTIVELY RELEASED

#156

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, February 07, 2019 4:12:59 PM
Last Modified: Friday, February 08, 2019 10:40:34 AM
Time Spent: 18:27:35
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

,

Section 3.3: Does the DIRA influence Fonterra's strategy?

,

Section 3.5: Does the DIRA incentivise inefficient entry by large processors?

,

Section 4.1: Options for DIRA open entry requirements

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes, as the new start-up companies use milk from Fonterra farms to make the factories more efficient in the shoulders of the season at the expense of Fonterra and its shareholders.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Yes, Fonterra is still 75-80% of the dairy market in NZ, but reducing as the time as new factories are still starting up and Fonterra farmers are moving to them.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes! the requirement to pick up milk from anyone (pretty much) anywhere, sometimes at great expense. The requirement to provide DIRA milk to competitor factories to make those factories more efficient and Fonterra's factories less efficient, but when the competitors don't want the milk at the peak of the season, Fonterra must have enough factory capacity to process all the milk.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Take some of the requirements out of the regs at once...

- No DIRA milk after 2 years operation

- If you are a long way from a factory and a competitor will pick up your milk at an additional cost, that cost should be able to be charged by Fonterra as well.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

What has happened in the industry over the last 17-18 years that the regs at once has been in place? Has it allowed start-ups? Has competitors been held to account by Fonterra's milk price?

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Fonterra as a co-operative is owned by its shareholder farmers. The shareholder receives as much as possible back to them of the profits, either in milk price or dividend. The income comes from what the international market will pay for our mix of products. Private companies will only pay what they have to, to ensure appropriate supply to their factory(s).

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views. **Respondent skipped this question**

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons? **Respondent skipped this question**

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

It does not drive t... Fonterra's bound by t, so must consider t when making decisions, to ensure t meets ts requirements.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence. **Respondent skipped this question**

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime? **Respondent skipped this question**

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means? **Respondent skipped this question**

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views. **Respondent skipped this question**

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Only on an open "w ng buyer, w ng se er" arrangement, not one that forces to make Fonterra se . Goodman F e der has been able to make business decisions knowing that the eg s at on puts a backstop n p ace.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

For new suppliers/shareholder, if there is a competitor factory within 100-150km's then Fonterra should have some flexibility around what they "have to do" either not "have to" pick up the milk or can charge a transport charge to minimise the cost on the co-op.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

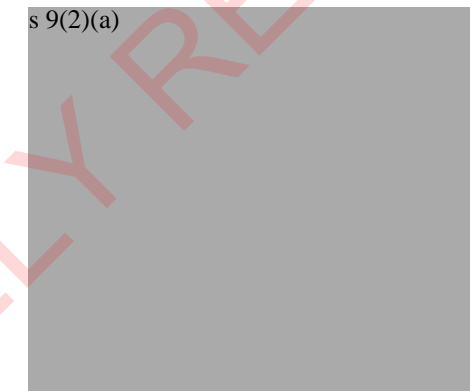
Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)



#157

COMPLETE

Collector: Web L nk 1 (Web L nk)
Started: Fr day, February 08, 2019 10:58:18 AM
Last Modified: Fr day, February 08, 2019 11:16:25 AM
Time Spent: 00:18:06
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

Section 4.3: Options for the base milk price calculation

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmer's milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Provide milk at cost plus, to allow Fonterra and its suppliers some profit and account for the processors' ownership of assets set up stage (due to certainty of milk supply)

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Status Quo, as this provides a robust calculation

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Thresholds put in place to remove DIRA regulatory - as there are already strong competition in our bigger dairy areas and no need for regulations

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Regona

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

A large grey rectangular box redacting the contact details provided in the form.

PROACTIVELY RELEASED

#158

COMPLETE

Collector: Web L nk 1 (Web L nk)
Started: Fr day, February 08, 2019 11:07:00 AM
Last Modified: Fr day, February 08, 2019 11:39:57 AM
Time Spent: 00:32:56
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.2: Does the DIRA encourage industry growth?

,

Section 3.4: Does the DIRA impact on the industry's environmental performance?

,

Section 4.1: Options for DIRA open entry requirements

,

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

The DIRA has played a part in encouraging the expansion of the dairy industry - which has had a disastrous effect on our environment, including but by no means limited to water quality and greenhouse gas emissions from agriculture. A primary goal of the DIRA review should be to change the DIRA to enable and facilitate a rapid reduction in the number of cows in New Zealand. The New Zealand economy's current dependence on industrial dairy is neither environmentally nor economically sustainable.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Fonterra's own business model, based on continued milk supply growth, is the primary driver of the industry's strongly negative environmental role. However, the DIRA has acted as an enabler of this.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Given the desperate need to reduce New Zealand greenhouse gas emissions, a means necessary must be used to reduce emissions and other environmental damage from the dairy sector. Given that RMA changes to a comprehensive system are still some way off, the DIRA has to be changed to play a role in reducing cow numbers and hence environmental impact.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

There are two additional possibilities that should be considered:

- 1) Repeat the open entry requirement, but retain an open exit requirement - in other words Fonterra could not prevent farmers from choosing to leave.
- 2) Repeat the open entry requirement with regard to any new conversions (that is conversions which start producing milk from the beginning of the next dairy season onwards)

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

n/a

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

First, it is critical that farmers be able to leave Fonterra - so open exit should be retained.

With regards to entry, I am concerned that a move to repeat open entry, but give Fonterra discretion over who is allowed entry, would simply give Fonterra even more power to lock farmers into its dangerous, destructive, and unsustainable growth-based business model.

Therefore, I would support open entry being repeated *f* a new mechanism is created, independent of Fonterra's discretion to decide who is and isn't allowed to enter this scheme.

Such a mechanism might involve the creation of an independent body, whose overriding criterion would be to assess the environmental performance of farmers who want to enter the scheme. The general direction under which such a body would operate should be to reverse the growth in dairy numbers.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Under and understanding of the environmental performance of the dairy industry is provided for in other legislation, formulated with the aim of reducing dairy numbers in New Zealand and hence reducing emissions and other environmental impacts from the sector. I support an periodic review (Option 4.5.2) with the addition of environmental performance and emissions reductions to the review criteria.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Understand and understand strong oversight of the environmental performance of the dairy industry is provided for in other legislation formulated with the aim of reducing dairy numbers in New Zealand and hence reducing emissions and other environmental impacts from the sector, I support an periodic review (Option 4.5.2) with the addition of environmental performance and emissions reductions to the review criteria.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name
Address
Address line 2
City/Town
Email Address
Phone Number

s 9(2)(a)

A large grey rectangular box redacting the contact details provided by the respondent.

#161

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Friday, February 08, 2019 9:03:07 AM
Last Modified: Friday, February 08, 2019 1:02:02 PM
Time Spent: 03:58:55
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 2.2: Industry performance since the restructure

,

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

,

Section 3.4: Does the DIRA impact on the industry's environmental performance?

,

Section 3.5: Does the DIRA incentivise inefficient entry by large processors?

,

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

,

Section 3.7: Does the DIRA support competition in New Zealand consumer dairy markets?

,

Section 4.1: Options for DIRA open entry requirements

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

,

Section 4.3: Options for the base milk price calculation

,

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

,

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes. But it has restricted Fonterra from achieving to capacity in the process.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Yes. The aim of Fonterra was to provide strength to the New Zealand dairy industry against international competition. DIRA serves to weaken the position of the New Zealand dairy industry by allowing foreign interests to come into NZ, set up companies and export competitively against us. Fonterra is also required to give milk to these companies at cost which directly impacts on Fonterra farmers' payout.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes. Fonterra is required to supply any other milk company with milk if they request it. This is supplied at a very low cost and as a cooperative comes directly out of the farmer's pocket.

Fonterra is also required to collect milk from anywhere in New Zealand, regardless of the distance from the factory or to the damage it may cause to the environment. e.g. The McKenzie Country where the landscape has been dramatically altered.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Yes. There is no need for Fonterra to supply milk to start up companies who are solely exporting. These companies are competing directly against Fonterra internationally and are not helping the New Zealand consumer and in many cases the New Zealand economy e.g. Mataura Valley Milk.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Fonterra was formed to give New Zealand DOMINANCE internationally. There is no major competition in New Zealand and as there is a limit to how many suppliers most companies can take and they cherry pick the ones that suit them - those that are a good size and are close to the factory. Fonterra, as a farmer owned cooperative is discredited against because of this.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

DIRA has been ineffective in protecting the New Zealand consumer as there are only two main suppliers to the New Zealand supermarket - Fonterra and Goodman Fielder. No other company is required to supply the domestic market. There are approximately seven dairy companies in New Zealand and two supermarket chains. Fonterra has not prevented other companies from starting up, it should not have to subsidise the rest start up.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Yes. We agree that Fonterra has been forced to collect milk from farms in areas that are not suited to dairying due to DIRA's open entry policy.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes. Absolutely. DIRA works directly against the Resource Management Act.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

No. DIRA should have nothing to do with environmental issues. There are resource management acts, regional councils and the dairy companies themselves, all with processes relating to farming and the environment.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Yes. The open entry and exit requirements make it difficult for Fonterra to plan ahead and destabilises the industry.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No. This provision enables companies to start up without a secure provider base. If a company requires milk they should be capable of negotiating with Fonterra (or any other company) to buy milk. Goodman Fielder have been doing this for some time.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No. Fonterra should set its milk price on what it can afford to pay its farmers. Fonterra is a cooperative and as such is different to a company. Fonterra, as a cooperative should pay its shareholders (farmers) as much as it can. Open Country (for example) should pay its farmers what it can as its main aim is to make money for its shareholders, not its farmers. Fonterra should not have to reduce its farmer (shareholder) payout to make another company look good.

Fonterra should only be required to be 'transparent' to its shareholders. No other milk company is required to divulge this information.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No! Absolutely not! DIRA is supposed to be encouraging competition. An independent body like the Commerce Commission would nullify that competition or at least make it in strong favour of every company except Fonterra.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes. Fonterra has not prevented other companies from starting up but none of them has contributed to the domestic market.

Goodman Fielder have negotiated with Fonterra independent of DIRA. There is no reason why that shouldn't continue. There are also now six other companies Goodman Fielder could purchase milk from.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes. If a company has received start up m k, it should be required to contribute to the domestic market. Why should Fonterra suppliers subsidise these companies who are making money through exporting, at our expense.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Option 2 will help Fonterra to stabilise its business and avoid having payment on stand-by in case new suppliers wanted to join.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Option 2 would enhance all of the above.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views

We agree with option 4.1.2 to repeal the open entry requirement. Fonterra should have the right to choose new suppliers based on merit. Existing suppliers are protected by Fonterra's Cooperative constitution.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these

Large dairy processors should be required to negotiate milk supply with Fonterra as Goodman Fielder do.

If they are solely exporting they should not be entitled to any milk.

Fonterra should not be subsidising foreign companies. This is a potential move by the government and should not be at the cost of Fonterra shareholders.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Too high.

See above.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Opt on 1 is at the expense of Fonterra farmers. There are no benefits.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Opt on 1 does not meet any of the principles of good regulatory practice. Fonterra is not a 'corporate giant', it is New Zealand farmers who work hard for their returns.

Opt on 2 would go part way to meeting good regulatory practice where large dairy processors would need to negotiate the milk supply from Fonterra or any other company in New Zealand. The other requirement for fair practice would be to exclude foreign owned dairy processors from being entitled to regulated milk.

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

No access to regulated milk. If large dairy processors need extra milk they should negotiate that with other dairy processors.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No. Fonterra should be able to set its own base milk price as does Tatua and any other processor. Fonterra should not be forced to set a low price to enable other companies to pay low prices to their farmers and increase their own profits.

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Fonterra should set its own milk price based on its performance and pay its shareholders accordingly. This is what good regulatory practices are.

Fonterra should not have to keep its payout low to benefit other companies. Fonterra has never had the highest payout, Tatua has. Should Tatua have to bring the milk price down? Milk price in the dairy industry is the essence of competition and isn't this what DIRA was aiming for?

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Goodman Fielder and smaller processors should have access to Fonterra milk at market or negotiated price if they are providing milk or milk products to NZ consumers.

This would be to ensure New Zealand consumers had access to competitive New Zealand produce.

Another option would be for companies who received regulated milk to be required to supply a percentage of their produce to the domestic market.

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

As above.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Market share threshold is the only obvious way to measure market dominance. The original threshold was met at 85% but the government moved the goalpost and asked us to do so again.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Yes. Those involved in the DIRA review should consider why Fonterra was formed. Bringing it back down to a small hamstrung company defeats that purpose.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

DIRA should have an expiry date. It can be kept as a tool if needed in the future.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

#162

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, December 18, 2018 1:29:46 AM
Last Modified: Friday, February 08, 2019 3:03:40 PM
Time Spent: Over a month
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Or g na y - yes. However t s beg nn ng to d sadvantage me as a Fonterra farmer I be eve compet t on s good and that we have cho ce of who to supp y m k to. For those farmers that are not c ose to a compe tor fact y - th s just wont happen wh ch then makes Fonterra ess eff c ent wh ch then h ts a farmers as m k pr ce w be e ode I th nk the DIRA needs to address other processors as we - part cu ar y because the vast major ty of them on y compete w th us n overseas markets. STUPIDITY

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

I don't think it's a fair comparison. You must look at where the milk is being collected where there's competition. Do you find there's Fonterra dominance in those areas and that Fonterra's creating barriers? I think not. In fact you will find that where competitors have set up THEY are the ones who have been able to dominate because the DIRA allows it. For example - a new processor starts up - it places itself in an area and goes about collecting milk to fulfil its plant. Due to the smaller scale of this processor and the DIRA milk from Fonterra - it can run extremely efficiently because it's a closed system - once we are full we don't need to collect any more. Not for Fonterra - they have to collect from anyone that wants. Furthermore the smaller processor has a smaller collection area in comparison and so less cost - Do they pass this onto the farmer supplying the milk - of course not. Fonterra is a cooperative which means it will pay the highest possible price for milk - and the others will pay the least so they can pass on the profits to their shareholders - as you would expect. Fonterra shareholders are the farmers supplying them for the most part - be careful of unintended consequences as I can assure you if we keep DIRA on the path it's on it will be the New Zealand dairy farmer that loses regardless of who they supply milk to.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes. The fact that it has to collect a milk and that it has to hold capacity for this. My concern is there will be a tipping point and we will have too much stainless steel in this country which would lead to what we saw in the meat sector.

As to providing milk to new processors - LUDICROUS. Let's have some strategy here not just open the floodgates - they get pretty hard to close at the moment.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Probably - however it's complicated. Fonterra is a cooperative which has different drivers to its competition. You could do away with open entry exit - however this will push Fonterra to more of a corporate. What about the farm that has been supplying milk for 100 years that is now too far away from a processor to be viable?

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

no

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

It needs to be a dairy INDUSTRY act - at the moment it just seems to be Fonterra. Look at these new processors from the benefit to a dairy farmer in NZ and what they will contribute - where they locate themselves and that it's not just a setup and take scenario.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Yes - it has grown because demand for dairy internationally has grown. This would have happened regardless of DIRA

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

No - because prices set by the milk price manual which then changes Fonterra to pay the very best price for milk - which it can't always do - but serves the best interests of farmers - it's a good tension to have

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views. **Respondent skipped this question**

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

No

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

We would hope the board sees that we expect. We are a cooperative which provides some changes - but that's their job to get creative and innovative and bring farmers with them

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Yes - there has been negative impact driven mainly by global demand for dairy but made worse by DIRA with the open entry clause. This needs looking at

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means? **Respondent skipped this question**

Page 8 Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

No! It does have an impact and the people that impacting are the farmers of the Fonterra Co-op who in effect are subsidising new processors in. It's as easy as hell for a new processor because they can cherry pick the farms right by the ripant to keep costs down. This in turn makes the milk cost from Fonterra less efficient every time. I am not opposed to processors coming in per say - but I don't think that Fonterra should have to help someone who is competing in the global market directly with us. However in this case open entry would not make a difference here because of course Fonterra will take them back - the milk is close to the factory! We need to think of another way we can address this issue. Maybe you should stipulate that they need to move into areas on the fringes and see how they respond - or maybe that they have to collect milk from an area equivalent to Fonterra by scale. Yeah right. That's my point. We need to stop the subsidisation before we end up devolving the industry to a point where we end up like Europe and Australia or God forbid the meat industry with a whole heap of stranded assets

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Absolutely not for the reasons above.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Good grief. If a processor can't be profitable when it has cheap milk (right by the factory) then it should not be playing the game. The fact that Fonterra is a cooperative means that it must strive to generate not only profit but also the highest possible milk price to farmers. Competitors would love anything that reduces the cost of goods so they can generate more profit. We're NOT COMING FROM MILK PRICE. If it does then ALL dairy farmers in NZ regardless of what processor they supply are screwed! Also where is the transparency of milk price from the other processors - it seems only Fonterra needs transparency - this is not good for farmers trying to make an informed decision. Just look at the work PWC did on OCD and the resultant milk price - for some farmers this was up to 40cents or more off. Not great for farmers

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Absolutely not.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes for the most part.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

As a farmer I welcome a strong competitive player in the domestic market as we need that to challenge Fonterra and keep them sharp. Perhaps it should be a rule that all processors if they want to set up in NZ must have a domestic presence.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Not that I can think of

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Status quo - this would mean a continuing eroding away of milk price in my view by making Fonterra less and less efficient.
Repeal - the fastest option from a processing point of view - however as a farmer on the fringes I would be concerned that I may be dropped as a supplier to Fonterra. Although this may be tough - this is an issue we as farmers need to wake up to - some of us are dairy on marginal land and perhaps dairy is not the right option. Some tough conversations ahead but I feel are vital for NZ Inc going forward
Amend - similar to above but not far enough in my opinion but would be a minimum. It would address the immediate concern of dealing with habitual non-compliant farmers - but not a long-term solution. We need to have the hard conversations about land use and sustainability

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Status quo - weak and shows no leadership
Repeal probably the hardest but clears gaps and shows leadership - but maybe too much too soon
Amend - tinkering

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Repeal

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Get therown or test on commercial terms with another processor. Why is it that Fonterra is the only option here - OCD and Synlait are well established now - why can't they supply new startups? Yes we know why

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Too high - should be zero - we have adequate competition and choice for farmers except in some of the fringe areas - so if new processors want to start up send them North or East. What we have now goes beyond offering choice - it's just stupidity to allow more than that will just compete overseas with NZ Inc.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Status quo w keep erod ng the m k pr ce to a NZ da ry farmers

Exc ude arge da ry processors - on y way to go

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

It makes no sense to g ve regu ated m k to predom nant y overseas owned compet tors to compete w th us n nter at ona ma kets. Why wou d you do that.

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Exc ude ALL (not just arge - whats def n t on of arge?) processors that are not comm tted to the oca market.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Staus quo w de ver me and ALL farmers regard ess of who they supp y - the h ghest m k pr ce poss b e. Do away w th the m k pr ce manua and were a stuffed.

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

I th nk the r shou d be transpare cy from a processors on how they ca cu ate the r m k pr ce not just Fonterra. If DIRA s to protect the farmer - then we must be ab e to have c ar ty around how each company sets the r m k pr ce so I can make an nformed dec s on about who I w s pp y

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Status Quo - the m k pr ce mode s the best th ng da ry farmers n NZ have to protect our m k pr ce. Th s s an abso ute must

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

No - you have covered this well

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

I think a milk supply to Goodman Fielder and smaller processors should be on commercial terms. As a farmer I want competition in NZ to challenge Fonterra's business so that we get the best returns for our products as we should. This is healthy. However, I do believe that when I see Goodman Fielder products on shelves like I did when in Cambodia - I get angry. I don't mind them using our milk for the local market - but not to be used to compete with us overseas. So you must look at the amount of milk GF are using and have an auditing system that ensures it's the right amount. Smaller processors operating for the local market - no problem

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

as stated above

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

I think you've got market share thresholds a bit messed up. You must compare apples with apples. Therefore look at the competitor processors - where they are located - look at the revenue in that area then look at Fonterra in the same area and apply a scale measurement to the area of same size and scale to the competitor - then tell me the market share.

You simply MUST take out all the fringe areas that Fonterra must pick up out of the equation. I think you will find that competition and choices we need to have and that Fonterra's dominance is somewhat a fairytale. I'm thinking like the big bad wolf - its big so must be bad. Really?

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Please take some leadership here and don't let this muddle along to a point where we all look back and remember the good old days when we had strong dairy co-ops - back when we were the masters of our own destiny only to find ourselves down the river without a paddle and sold out to Corporates from overseas that pay us the least for our milk so they can return maximum to the investors. I do not ever want to be a price taker - that's the beginning of the end as far as I am concerned.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

I think you still have some work to do here - but be bold. Lets not have more of the same - its time to put a stake in the ground so that as a farmer I know where we are heading and can make plans accordingly. At the moment it feels too much like treading water waiting for something to happen

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)



#163

COMPLETE

Collector: Web L nk 1 (Web L nk)
Started: Fr day, February 08, 2019 2:44:16 PM
Last Modified: Fr day, February 08, 2019 3:09:09 PM
Time Spent: 00:24:52
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 2.1: 2001 structural reform to enable the industry to drive strategic change

,

Section 3.1: Has the DIRA been effective at managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

,

Section 3.2: Does the DIRA encourage industry growth?

,

Section 3.4: Does the DIRA impact on the industry's environmental performance?

,

Section 4.1: Options for DIRA open entry requirements

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

,

Section 4.3: Options for the base milk price calculation

,

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

,

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Yes we agree with the description and original policy rationale and we consider it still valid.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Yes, due to the ease of access to dairy farmers to supply Fonterra. Competitors at capacity can turn away suppliers and can pick and choose who supplies them leaving Fonterra to take the milk and continue market dominance

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes. Due to open entry Fonterra has had to invest in capacity that may not have required leading to increased financial costs and use of capital that may have been better utilised elsewhere in the business.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Yes, as it gives new entrants the ability to source milk while growing their own supply base.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

There needs to be a combination of the two so Fonterra, like some other processors, can implement their own environmental program to manage suppliers who do not meet set standards.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term “practically feasible” were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

New entrants or returning suppliers should be consented to farm and be able to demonstrate that they comply with accepted management practices on their farms before being able to supply.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Our preferred option is 4.1.3 to amend the open entry requirements to enable Fonterra to decide applications from farmers who do not comply with good management practices on their farms. It should allow Fonterra to manage their supplier base in a way that would allow them to cease accepting milk from farmers who do not meet their supply terms with regards to quality, animal welfare and the environment. There would need to be safeguards for existing suppliers to ensure they continue to supply as long as standards are met, regardless of location.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Option 4.2.2 - amend the eligibility provisions in the raw milk regulations to exclude large dairy processors so there is a set time the supply occurs for or once they can source 30 million litres the arrangement ceases. The current scenario does not encourage new processors to obtain supply of their own in an expedient manner and takes potential downstream profitability away from Fonterra.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible. **Respondent skipped this question**

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes? **Respondent skipped this question**

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Opt on 4.3.1 - retain the status quo - the current positions work well and from our perspective any changes would only result in lower milk prices as non co-operative processors would want to drive the milk price down to improve profit for shareholders and not farmers. We have confidence in the current way the base milk price calculation is performed by Fonterra.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

That smaller processors and Goodman Fielder have some of their own supply and not only rely on Fonterra to supply the milk - some effort should be made to create their own business model in the market.

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible. **Respondent skipped this question**

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes? **Respondent skipped this question**

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Opt on 4.4.3 - this would see Goodman Fielder need to source a alternative supply for part of its business and not only rely on Fonterra for milk. There should be no export of Fonterra milk by Goodman Fielder without their own supply - there is no benefit to Fonterra to have competition from milk supplied under DIRA in export markets.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Opt on 4.5.2 as the regular intervals will ensure that all factors at the time are taken into account before any changes made. An automatic expiry date or threshold depending on market conditions at the time may not be in the best interest of the industry as it could weaken Fonterra or cause problems for other processors at the time and create greater uncertainty and risk in the market.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name
Company
Address
City/Town
Email Address
Phone Number

s 9(2)(a)

A large grey rectangular box redacting the contact details provided in Q47.

#164

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, February 07, 2019 3:40:39 PM
Last Modified: Friday, February 08, 2019 3:39:11 PM
Time Spent: 23:58:32
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.4: Does the DIRA impact on the industry's environmental performance?

,

Section 4.1: Options for DIRA open entry requirements

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

,

Section 4.3: Options for the base milk price calculation

Section 4: Options for access to regulated milk for Goodman Fielder and smaller processors

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material. Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

We agree that environmental issues should be dealt with by the local and regional regulatory authorities

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information. Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views. Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views. Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these. Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible. Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes? Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

We support Option 3 to allow managed growth. Managed growth will allow more focus on adding value rather than on volume.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these. Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

We support Option 2 to exclude large dairy processors. Having other companies including foreign owned and partially foreign owned companies, potentially selling milk in the same markets as Fonterra does not provide extra jobs in New Zealand. Milk that can be supplied and processed by Fonterra will provide the same number of jobs with the added bonus of the profits and tax being kept in New Zealand.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

We support Option 1. All dairy farmers rely on Fonterra setting a transparent milk price. This needs to be overseen by the Commerce Commission to confirm its integrity.

We would also like to see all companies publish their milk price so that farmers can make informed decisions between companies. This is not currently available.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

We support Option 2 because at present, companies are getting a free ride to access raw milk i.e. no environmental concerns, no supply concerns.

The logistics of organising raw supply are very complex and that should be reflected in favour of the shareholders of Fonterra

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

We would support an automatic, nominated expiry date - market forces will prevail.
New Zealand performs best in the international world as having a deregulated business environment. For some reason the government does not allow this for the New Zealand dairy industry. This seems both hypocritical and unnecessary. Fonterra's dominance is not a threat to the industry as perceived at DIRA's inception.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

This submission is from Jim and Mary Gray, dairy farming with two farms in the Waikato for over forty years. It is vital to our business, which supports seven families on these farms, that the dairy industry stays strong.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

#165

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Friday, February 08, 2019 3:51:59 PM
Last Modified: Friday, February 08, 2019 4:11:36 PM
Time Spent: 00:19:36
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.5: Does the DIRA incentivise inefficient entry by large processors?

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

,

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

If a new payer can't organise milk from ten to twelve thousand cows (50 million litres) how are they going to organise a company.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

That regulation should be wound up sooner than later.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

they should be able to negotiate on commercial terms like other company's.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

they should be able to organise milk from 7 to 8 thousand cows on a commercial arrangement.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Can't see any.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Gooman F e der have 17 to 18 years to organ se farmer supp ers, and have appeared to taken the easy opt on of do ng noth ng. The 250 m n tres of m k shou d have a s nk ng d over the next f ve years.

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

We are a seasona supply farm, so not much.

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

If fonterra have to accept people dropping in and out of the company then the other companies should have to accept the same terms. The other corporate companies seem to have three year contracts but are quite happy to drop suppliers if they need them.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

#166

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Friday, February 08, 2019 4:13:47 PM
Last Modified: Friday, February 08, 2019 4:51:34 PM
Time Spent: 00:37:47
IP Address: 192.168.1.1

Page 1

Q1 Please select the sections on which you would like to submit.

Section 4.1: Options for DIRA open entry requirements

Section 4.3: Options for the base milk price calculation

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

Respondent skipped this question

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

Respondent skipped this question

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

My preferred option is 4.1.3, as I think it's important for the industry as a whole that farmers/farms that constitute a potential reputational risk not be able to proceed by taking advantage of Fonterra's requirement to accept a supply. There's a good example in my area where a conversion has gone ahead, against the regional council's wishes, advantage had been taken of a rules where the conversion went ahead because Fonterra was unable to not accept supply.

I also would like consideration given to farmers' ability to return to Fonterra at will after supplying an alternate processor. I have no problem with competition however I think that with the backstop of Fonterra's place farmers would undertake risk in the reconsideration of the options of changing supply. In my opinion this underpricing of risk leads to increased and values with the consequence of increased debt on farm and capital exiting the industry. I have personal knowledge of this occurring during "tactical pricing" where the farmer lasted two years before being sold up. The damage to families and farmer welfare in these situations is large.

I also think that no automatic right of return to Fonterra will make the competing companies more competitive and transparent with their marketing. I have personally supplied both Fonterra and OCD at the same time on adjacent farms, it was difficult getting an accurate price out of OCD and in fact when the season finished 2016/17 the OCD farm was 15 cents per kg less than the Fonterra's price. As farmers it would be beneficial to see an table of comparable milk company payments, perhaps audited by the Commerce Commission so that farmers are able to compare without bias what the options could be.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Option 4.3.1 Status Quo, there is enough flexibility within the current structure to achieve transparency and credibility of the milk price.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Opt on 4.5.1, I see no need to change there s f ex b ty for the government to rev ew at the r d scret on

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address


Address ne 2

C ty/Town

Ema Address

Phone Number

s 9(2)(a)

A large grey rectangular box redacts the contact details for question Q47. The text 's 9(2)(a)' is visible at the top left of the redacted area. A large, diagonal, semi-transparent watermark reading 'PROACTIVELY RELEASED' is overlaid across the entire page.

#167

COMPLETE

Collector: Web L nk 1 (Web L nk)
Started: Fr day, February 08, 2019 3:46:38 PM
Last Modified: Fr day, February 08, 2019 4:56:04 PM
Time Spent: 01:09:26
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.1: Has the DIRA been effective a managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

,

Section 3.2: Does the DIRA encourage industry growth?

,

Section 3.3: Does the DIRA influence Fonterra's strategy?

,

Section 3.4: Does the DIRA impact on the industry's environmental performance?

,

Section 3.5: Does the DIRA incentivise inefficient entry by large processors?

,

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

,

Section 3.7: Does the DIRA support competition in New Zealand consumer dairy markets?

,

Section 4.1: Options for DIRA open entry requirements

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

,

Section 4.3: Options for the base milk price calculation

,

Section 4.4: Options for access to regulated milk for Goodman Fielder and smaller processors

,

Section 4.5: Options for the DIRA review and expiry provisions

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

DIRA certainly wasn't perfect but has been effective in encouraging competition into the dairy industry. I thought it was originally to protect the domestic market but I don't think it has been that successful. Times have changed. Farmers in most areas have choice but co-operative supporters shouldn't be penalised for loyalty.

Either make all processors accountable under DIRA or allow Fonterra to be competitive.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

At a national level I think that the milk supplied to Fonterra as a % of NZ (around 81%?) means that in some provinces there is plenty of competition. In other areas there is less choice. Why? because it's less economic. It's my belief that some areas will always be reliant on Fonterra and I don't have a problem with that. This means that leaving DIRA in place as is will not necessarily make a difference.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes DIRA does impose unreasonable costs on Fonterra and ultimately the farmer shareholders. We are subsidising competitors by providing cheap milk with which they compete with us in overseas markets which is devaluing the whole NZ dairy industry. Most of these competitors are overseas owned and the profits flow back to other countries therefore does not benefit NZ. Fonterra also has to provide excess storage space to accommodate the extra milk should the other processor choose not to take it. This is an ongoing maintenance cost to Fonterra and limits product options at peak times. To get milk processed over value Milk powder has to be manufactured instead of higher value products that may take longer.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Currently there is an uneven playing field with Fonterra bearing the cost. However this does not mean that the whole of DIRA is the problem. Limiting and ending parts of DIRA would alleviate the problem without doing away with it altogether. Limit the amount of milk to be supplied to other processors (none to exporters and limit to smaller companies in the domestic market)

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

I believe that while Fonterra may be the biggest processor that fact that it is a co-operative will mean that farmers/suppliers will get the true value of the milk. The percentage of milk processed by Fonterra has dropped considerably since 2001 so the need for a of the current regulatory tools is no longer there.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

The costs of DIRA to Fonterra and its shareholders/suppliers has meant that the return has not increased at the rate suggested at its formation. The economic conditions more volatile and farmers are struggling to keep pace with regulation, environmental and financial sustainability. We need Fonterra to be a strong co-operative for the benefit of the NZ dairy industry and the wider NZ community.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Yes it does for overseas owned exporters of dairy products as they can access cheap milk from Fonterra. As this is at a cost to Fonterra it limits the returns to farmers. So profits go overseas but our own industry is devastated by competitors undercutting us in our overseas markets using our DIRA milk. It was useful in the beginning but now we need something better.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Fonterra has the milk price manual (which I believe is a good model) that is transparent. The co-operative promises to deliver farmers the true value of the milk and not just treat them as a supplier of raw materials. While Fonterra has some mechanisms in place (e.g. dividend payment) they can't "manipulate" the milk price to retain or attract milk supply as other processors do. Open entry means that milk in environmentally sensitive areas and areas that may not be economically viable has to be collected. Fonterra should have the right to choose (as other processors do) which new milk it accepts.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

We want to set a high standard of milk quality, animal husbandry and environmental stewardship among our farmers. It is difficult to do this when those dragging the chains know that Fonterra is always there as a fallback position.

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Currently I believe this is the part of DIRA that works well. I propose no change to the milk price calculation. It is transparent and monitored so farmers know they are getting the best price. Any deviation is clearly stated and why and should be allowed for the benefit of the industry overall. The milk price calculation ensures that competitors pay a decent price to the suppliers and which is better for the industry and NZ as a whole.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

DIRA may not be driving the strategy but it definitely has an influence. For example strategy around the amount of investment in stainless steel is influenced. Having to maintain enough stainless steel to cover the peak milk flows means less investment in higher value plants. DIRA makes it difficult for Fonterra to plan as milk can be taken (or not) at short notice. Milk is taken at the shoulders of the season when Fonterra needs it most (as the other processors do to) who covers this cost?

Generally I think the Fonterra board drives the strategy DIRA means they are doing it with obstacles that competitor processors don't have.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

How can DIRA not have an impact when Fonterra has to collect a milk even in an environmentally sensitive area. Parts of Canterbury, Otago and South and may not have been converted to dairy in the numbers that the Co-op had a say. It didn't.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

I agree it should be through the RMA however it hasn't worked to date so I have no confidence it will work in the future. It shouldn't prevent Fonterra from having the opportunity to be a shining example of a sustainable co-op by have the choice whether or not to accept new milk from environmentally sensitive areas.

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

DIRA makes it easy for new processors to enter the market. They have a guaranteed supply of regulated milk at a cost to Fonterra suppliers. They can then compete (and do) in the export market. The number of processors that have entered the industry since 2001 shows that DIRA has helped with competition but now it's time for a change.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No they should not. As a Fonterra supplier I want to supply MY co-op because believe they can add value to my milk. Supplying regulated milk to a large competitor is not in my view adding value to my milk. I think the time has come to stop this especially for overseas owned exporters.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term “practically feasible” were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No. We want less regulation not more. I don't think there's anything wrong with the current milk price calculation. Don't tinker with it.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No! I believe the milk price calculation is robust and fair. It is monitored and transparent and ensures that all farmers (both Fonterra and other processors) are paid fairly for the milk.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

I don't have a problem with the pricing of domestic consumer markets.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

4.1.2 and 4.1.3 would allow Fonterra to achieve the above

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

To maintain and even pay for feed I think 4.1.2 would be the best option to allow Fonterra to choose the suppliers as other processors do.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Too high. Make it a time line eg three years and after that they are on their own.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Don't like either option

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

4.3.1 status quo as a ready stated I be eve t works we

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

I am a Fonterra shareholder and supplier. I also work as an Area Manager for Fonterra. I am fully supportive of the cooperative mode and in my opinion a strong Fonterra will benefit the whole of the industry and therefore NZ. Please consider this when making decisions that they don't weaken our industry.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Address

Address line 2

City/Town

Email Address

Phone Number

s 9()(a)

#168

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Friday, February 08, 2019 4:40:11 PM
Last Modified: Friday, February 08, 2019 4:57:22 PM
Time Spent: 00:17:11
IP Address: 192.168.1.1

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.4: Does the DIRA impact on the industry's environmental performance?

,

Section 3.5: Does the DIRA incentivise inefficient entry by large processors?

,

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

,

Section 3.7 Does the DIRA support competition in New Zealand consumer dairy markets?

,

Section 4.2: Options for access to regulated milk for large dairy processors (except Goodman Fielder)

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Respondent skipped this question

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Respondent skipped this question

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Yes

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

No they are best dealt with through existing processes, eg Regional Councils, Ministry of the Environment

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No. They are commercial entities and should stand on their own feet without assistance through regulation

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No. We don't need more regulation

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No. Fonterra is a business and must have control (within limits) of the process of setting the base milk price

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

None

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Goodman F e der has not obta ned t's own supp y, wh ch seems to nd cate that the present procurement arrangement s very benef c a to them, or perhaps Fonterra s 'subs d s ng' them. Th s shou d stop.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address ne 2

C ty/Town

Ema Address

Phone Number

s 9(2)(a)

#169

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, February 05, 2019 4:39:52 PM
Last Modified: Friday, February 08, 2019 5:04:30 PM
Time Spent: Over a day
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit. **I wish to submit on all sections**

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

The original regime was appropriate then, but is not fit for purpose now

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence. **Respondent skipped this question**

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

This was the case. But in recent years Fonterra does not have the dominance in the dairy industry. DIRA is actually causing the opposite in enforcing Fonterra to pick up milk as the default company, even when it is not in the best interests of the cooperative. Examples of this would be outlying areas such as Coromandel where transport makes these areas uneconomical. Examples where existing in every part of NZ that competition doesn't exist.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No. As explained above. While they are still the biggest, there is no measure of economics that can be applied when considering new or existing supply

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes indirectly by enforcing pick up of milk when it may not be economical, and competitors choose not to.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Yes. A low choice of suppliers for Fonterra, just like all other processors. Fonterra could have to decide why a supplier is not taken on. This could be reasons such as; distance to factory (transport), Environmental compliance or sustainability, historical quality issues.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

If some DIRA rules were only implemented where competition exists then that would be fairer for both parties. Where there is no competition, the free entry and exit is not required as there is choice for suppliers. As in every other business, a supplier needs to weigh up the risk versus reward, and not have a safety net that the rest of the co-op subsidises things that don't work out as planned.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Dairy industry growth has occurred due to the buoyancy in the world dairy market over recent years, not due to DIRA. The transparent milk price has kept competitors honest and maximised returns to farmers

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Fonterra pay what the milk price calculation shows, given a normal year. The model becomes stressed under a negative balance sheet. So there is little influence that Fonterra can have on the milk price, given that it is based on an arbitrary model anyway.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views

as above

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

No Fonterra have the ability to deviate, and decide this to the shareholders. It is more of a challenge for our competitors.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Our investment strategy relies on developing and strengthening markets beyond our shores. DIRA does not influence these markets, but can influence competitors ability to compete unfairly for NZ milk.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Yes

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Only if the choice of supply is available to Fonterra. i.e. No requirement to accept any farm, due to environmental and on farm compliance changes. This might also include non suitability of farm to produce milk sustainably

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

As above

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

yes. I also agree with the note concerning the success of new processors, and question that the 50m tonnes at cost for three years was a significant step up to success rather than an opportunity to turn the value wheel to the competitors advantage.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No. They have proven the efficiency. The 50m tonnes is not a significant amount for the large processors. Rather it is a three year business opportunity, subsidised by Fonterra shareholders.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

I have confidence with the process in which our milk prices are derived now.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No. This is the fundamental driver to Fonterra's business efficiency

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Yes. There is actually no financial incentive to supply milk products to the domestic market, when the same product has a greater value offshore. Without Goodman Feder, or any competition, the domestic pricing will reflect export prices. That is a business decision and some sort of generic engagement would be required for all processors to contribute proportionally to NZ's market

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views

no

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

I would support option 4.1.3 if it was extended to economic viability as well. Otherwise I would support 4.1.2. There needs to be some economic discretion capability, otherwise some suppliers will be a burden to Fonterra due to distance from plants, lack of scale, or too alternative to the generally accepted management of the area. The environmental compliance is so important.

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

4.1.1 is a cost now

4.1.2 & 4.1.3 have benefit potential efficiencies.

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

A can

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

As above with the same reasons. 4.1.3 with some additions, or 4.1.2 if the additions can't happen.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

I don't believe the threshold should have anything to do with size. It should be about export. Any processor exporting does not require access to regulated milk.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

As above, this can be set at 1 million litres exporting.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible. Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Is easier but not driving the right outcome

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

As above. Happy to support domestic investment. Not so happy to help others compete overseas by helping them at home.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

no

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

don't know

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

The present system has satisfied all these principles since its inception.

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Staus quo. It has been proven. It s a commerc a dr ver so can't be enforced by an ndependent. It st has commerce comm ss on overs ght as a safety net.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

The on y way to be fa r to a s that the regu ated m k pr ce s the same as the base m k pr ce. Then there w be no gam ng, no processor w be d sadvantaged, and there won't need to be a d fferent at on between domest c and export because the same base pr ce has been used. The ke y outcome w be that domest c m k products w cost more, ref ect ng the r t e wor d market va ue.

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

4.4.4 Th s opt on s the on y one that co d set the RMP to the BMP

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Th s may need to break down to a reg ona eve somehow. In the h gh dens ty m k areas there s the most compet t on, and a so the cheapest m k to manufacture.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

What would be wrong in drawing a line in the sand like 4.5.4? With a 3-5 year lead in time, the processor will have enough time to source its own milk. This will be at a commercial level so will promote more farm gate competition. The provision states that the elected thresholds are adhered to; not like last time when the North and South Islands had different thresholds that got changed once they were reached.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

This template was a very good way for me to cover all the areas. I don't have the depth of examples at hand to always support my views sadly. I'm sure I'll think of more comments once I've posted these!

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

Address

Address line 2

City/Town

Email Address

Phone Number

s 9(2)(a)

A large grey rectangular box redacting the contact details provided in the form.

#170

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, February 07, 2019 10:27:30 PM
Last Modified: Friday, February 08, 2019 6:10:46 PM
Time Spent: 19:43:15
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit. **I wish to submit on all sections**

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

No. I think that the DIRA regime has much more harm than good in many ways; economically, people, environmentally. It has caused distortions and unnecessary government involvement at great expense to NZ and to the dairy industry.

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Yes. The compulsory dairy levy system controlled and managed by DairyNZ. Whilst support the Dairy levy and the good it does, as a dairy farmer I do not think that the money received is used as effectively as it could be. As I understand it, DairyNZ funding use is decided by a "separate" group comprised of DairyNZ personnel and some selected farmers. I think there is an opportunity to have dairy industry representatives eg from other farmer controlled bodies such as Fonterra, LIC and the likes of industry good bodies such as Ag Research, NZIPI and also DairyNZ deciding where the Dairy Levy should be used. I think there could be better use and accountability of the funds used.

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

No. I think DIRA has distorted the market and damaged NZ farmers ability to maximise their income and provide better benefits for the NZ community. There appears to be an assumption that Fonterra is there to rip off NZ. This is so very far from the truth. Fonterra has its roots in many smaller cooperatives throughout NZ and is still owned by the rural dairy farming communities; less so now with government's interference with the result of a spoilt dairy industry.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

Yes, it is still dominant and that is ok. If dairy prices were to get too high in NZ due to high demand overseas then the farmers and public would demand more acceptable pricing - the stronger Fonterra and link with community the stronger the community is able to demand of Fonterra. With excessive non Fonterra companies, some overseas owned with profits going elsewhere, there is the community "control" of what they do.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes. It is excessive non needed government interference which at times seems to have had been imposed by some political forces.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Yes, get government's mits out of it. Encourage the dominance of Fonterra along with encouragement of good shareholder (which includes community) involvement. By enforcing government rules the effects do enable shareholders ability to effectively set direction for the Fonterra Board to encourage better community.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Yes. Remove DIRA. Support and encourage Fonterra to set up a community charter that enables domestic market stability to ensure fair & reasonable NZ dairy prices. The domestic market is only ~5% of the NZ dairy production. Help & support Fonterra to be effective and efficient to be in NZ so that it can concentrate as much energy as possible in maximizing profits for Fonterra (but effectively NZ - Note: significant as total dairy value ~\$ 6.6 billion) in the international market. These overseas funds are critical for NZ welfare, infrastructure development, general government spend. The government needs to concentrate on how it can help Fonterra be stronger and more effective & efficient against increased overseas earnings.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Yes, can discuss other items. Some are around better encouragement by government to support inter agency, cooperative & business efficiencies. too much effort is being placed on trying to get our companies to compete against each other. NZ is too small for this. We need an industry that is better at working together and commanding better overseas prices for our high quality goods.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

No. see previous comments. DIRA I think has hindered growth and wasted important monetary capital. It has also been a cause of significant environmental damage lack of certainty in one of NZ's critical industries.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Yes & No. DIRA distorts the market. It needs to be gotten rid of. A Fonterra community charter needs to be agreed for domestic supply and Fonterra needs to be supported to be as competitive as possible in the international market.

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

see earlier comments.

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

I don't know enough about this; however, as per previous answers, I think there is a better way to ensure domestic supplies are fair & reasonable.

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

To Fonterra's (and NZ Inc) detriment, DIRA is driving Fonterra's strategy and it needs to stop. Fonterra needs to focus on being internationally competitive (where ~95% of its goes) and have government support, not cause additional costs and barriers.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

In part. DIRA has caused distortions and has enabled Fonterra to behave for the good of the NZ Community as much as it could have.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes. I think that the RMA is a good tool. The RMA just needs to be better used and implemented.... But that is another discussion on a different government Act. DIRA should not be used... for anything!

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Yes. The effectiveness of good implementation of the RMA should be reviewed. I have seen across NZ many different ways Regional Councils work with and against good environmental outcomes. Some regions are doing some aspects well in some areas and not so well in others; other regions just seem to be too compliance focused and miss good opportunities to get results. There could be review of what works & doesn't and encourage better use of the tremendous amount of funds, time & energy being used. Happy to provide more thoughts on this.

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

No. If Fonterra was in a stronger position, with say a domestic charter in place, it would be better to compete overseas.

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No. Why is government even involved in this. If a processor is so good let them negotiate and buy from farmers. Fonterra should not be forced to sell to anyone. Remember, Fonterra has been set up by the farmers for the farmers (and the communities they are part of, e. NZ Inc.). They should not be forced to supply any amount to anyone. Likewise, if a farmer wants to supply to someone else then they can. If they want to pull a few of the relevant farmers together and think we can do better on our own as our own cooperative or other business, then they can, Tatua is such a good example of this.

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No. Get rid of DIRA. See earlier comments.

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

No. Get rid of DIRA & base milk price and need for Fonterra to supply others. see earlier comments.

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

No. I think it actually harms competition and the domestic market. It adds significant costs and chews up lots of government and others' time. Get rid of it. Encourage Fonterra create a "Domestic Charter" for domestic dairy product supply and support them in this.

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

yes. see earlier comments.

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Yes. Get rid of DIRA. Let Fonterra, who are answerable to the shareholders, farmers, community and government. They will force who can join or not... however, would cover this off by saying a existing able to continue uness milk quality, environmental, animal welfare or other say "agreement to supply" conditions are not met. Further, Fonterra must continue to take milk in all regions & areas it currently does, uness it negotiates with each farmer to cease. This is because, as the various cooperatives merged to eventually form Fonterra, there were assurances to farmers that "efficiencies" of creating larger more modern centralized factories would be beneficial and they would continue to have their milk picked up (as they were a contributing shareholder).

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Every DIRA option is an expense to my dairy farming business. Somehow, even the costs of this review and survey are an expense. Enable Fonterra to choose who can be a new supplier and who can remain (only on future of performance - not on location)

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Not well at all. Get rid of DIRA.

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

Get rid of DIRA. Ensure that Fonterra's conditions of supply empower to pick up or not pick milk based on accepted standards that are agreed with the Fonterra Shareholders Council for the likes of milk quality, animal welfare, environmental, people care - but not on existing location.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Yes. A Fonterra domestic charter that Fonterra writes, providing various assurances, that has at least 80% Fonterra shareholder numbers (suppliers not shares) approval. As far as other large dairy processors, they need to convince farmers themselves they are worthy of the milk and to go and prove so. Otherwise, these other large dairy processors are potentially behaving as leeches - on for the free ride without on the ground work that Fonterra farmer shareholders, through the various cooperatives they or the forebearers have supported and contributed to for over the last 100+ years have formed and worked for.

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Neither, not required; get rid of DIRA.

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Again, DIRA adds costs to my business, the industry and NZ Inc. Get rid of it. see comments above.

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Not we . See prev ous comments.

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Yes. The other da ry processors need to source the r own m k. They need to conv nce farmers to se to them nstead of through the r own processor e. Fonterra. Fonterra sn't "another company" t s the company farmers have spent ots & ots of mo ey o to create. It s the r processor. If some farmers or some processors want to prov de or supp y m k to soemone d fferent han Fonterra then that's ok. But Fonterra farmers, who have pa d for the enormous amount of cap ta and costs nvo ved a ong w th assocated r sks over many years, shou d not be forced nto hav ng to have the r m k prov ded to others when they have a d for and have perfect y good process ng p ant themse ves. It s b zarre that somehow the government th nks they s o d. Name me one po t can who has worked hard, served the commu ty we , saved and nvested n say a renta house who s then eg ated to say who they must rent t to and for how much. B zarre.

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Yes, many, they are around my ear er comments.

Q34 What costs and benefits would each of the opt ons for the base milk price calculation create for your business? Please provide quantitative information if p ssible.

see ear er comments.

Q35 How well do you think each o the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

see ear er comments.

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Yes. see ear e comments.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Yes. Get r d of DIRA and f these compan es want too, have them ta k w th farmers d rect as to m k supp y. It shou d not be mposed on Fonterra to dea w th / supp y m k to others.

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

I don't know. They come to me and provide me an option that enables me to supply them with milk and get a better price for it than me owning Fonterra shares, investing in my Fonterra Cooperative etc. They haven't approached me. But they should be given the option too. Fonterra should not be imposed upon to work with them. I suggest a straight line decreasing supply from current to nil over the next four years to enable enough time for any of these processors to sort their own supplies out. If not current, no obligation.

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Not well. See previous comments.

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Yes. The processors, big or small, sort out their own supply arrangements with individual farmers who want to work with them. For example, then Fonterra has to continue to supply during a transition period of four years straight line from current supply 2018-19 to four years out of supply.

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

I think that the negative "dominance" cogitation is wrong. Dominant & strong is good, so long as good community ethos is used. As noted earlier, farmer shareholders sign off on a Domestic Charter that protects domestic community. DIRA expiry... get rid of it now!

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Yes, Fonterra Domestic Charter. Let the farmer shareholders come up with it, put it out to the community for comment, and let the farmer shareholders vote on it and agree to it.

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

DIRA keeps costing us a lot of time, energy & money that should be spent on ensuring the 5% of milk produced in NZ is fair & reasonably provided to the NZ domestic market and that the 95% sold overseas achieves the best outcome for our NZ farmers, community, NZ Inc.

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Not well; see earlier comments

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Yes, see above.

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

I understand that DIRA has imposed on the dairy industry the requirement for the farmer owned animal data management & breeding cooperative, LIC (which I understand has connected with over ~90% of NZ dairy farmers) to replicate and transfer animal information to the 100% (eg slated) dairy levy organisation DairyNZ to form NZAEL. What a waste of my farmer levy money, pay for this twice, both in the setting up and maintaining LIC and then again for NZAEL. Not only a waste of millions of dollars in replicating systems but also probably more money now in maintaining both systems. Why is this allowed to happen; who is accountable for this? and why has the government got involved in this. If I had a problem with what LIC was doing would get my shareholder council to understand the issues and direct the LIC Board to review things.. not engage in further costs for me or to support a foreign owned company to over exert the influence on the NZ dairy industry. This governmental eg slated theoretical trading of ideas with my money has to stop. If I am not happy with LIC I will take them as a dairy farmer I own shares in them. It is not for the government to again tell me how to run our commercial businesses for some theoretical gains. If they want to trade such ideas, they can pay for out of their own (not tax payers) pocket.

Finally, the views of my submission are solely my own thoughts and are not those of any company or organisation I work for, have shares in etc. And have deliberately not canvassed or spoken with others about DIRA for that reason. I do not wish to offend, just to encourage a deeper thought and take the opportunity to question what DIRA is actually achieving and how effective it is and could a better mode be used. I really care about NZ, its people, its ability to be able to care for its citizens and for the animals and environment we are here to provide good stewardship over.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Email Address

Phone Number

s 9(2)(a)

#171

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Friday, February 08, 2019 7:17:57 PM
Last Modified: Friday, February 08, 2019 7:39:54 PM
Time Spent: 00:21:57
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

I wish to submit on all sections

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Yes

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

NO Any dominance that pays holds industry influence I think the capital structure changes at Fonterra have started milk growth.

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

At 100% of my region and 82% nationally they can only be defined as dominant.

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

I think having to supply milk to others is unequitable and costly.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Competitors or new entrants source their own milk.

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

More staged entry criteria.... eg processing regulated on allowing smaller operators lower compliance costs and needs.

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Milk suppliers able to pick up.

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Respondent skipped this question

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Hopefully consumer market needs.

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

No.

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Yes

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

no

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

No

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

no

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

no

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

open entry low regulation

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views

Respondent skipped this question

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Very Outdated

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Open market access

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Open Market access only.

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider “market dominance” could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

By supply options for milk producers often these are geographical.

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

Respondent skipped this question

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

Company

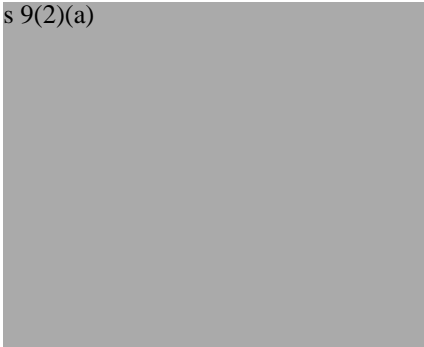
Address

C ty/Town

Ema Address

Phone Number

s 9(2)(a)



PROACTIVELY RELEASED

#172

COMPLETE

Collector: Web L nk 1 (Web L nk)
Started: Fr day, February 08, 2019 5:30:27 PM
Last Modified: Fr day, February 08, 2019 9:52:27 PM
Time Spent: 04:22:00
IP Address: s 9(2)(a)

Page 1

Q1 Please select the sections on which you would like to submit.

Section 3.1: Has the DIRA been effective a managing Fonterra's dominance in the market for farmers' milk, and is it still needed?

,

Section 3.2: Does the DIRA encourage industry growth?

,

Section 3.6: Does the DIRA promote sufficient confidence in the base milk price calculation?

,

Section 4.1: Options for DIRA open entry requirements

,

Section 4.3: Options for the base milk price calculation

,

Section 4.5: Options for the DIRA review and expiry provisions

Page 2: Chapter 2: Performance of the dairy industry

Q2 Do you agree with our description of the DIRA regulatory regime and its original policy rationale? Do you consider the original policy rationale is still valid?

Respondent skipped this question

Page 3: Chapter 2: Performance of the dairy industry (2)

Q3 Are there any other dairy industry developments or industry performance indicators that are not captured in the discussion document or its supplementary material? Please provide details and supporting evidence.

Respondent skipped this question

Page 4: Chapter 3: The effects of the DIRA and the other factors on industry performance (1)

Q4 Do you consider the DIRA has been effective at achieving its core regulatory objective of preventing Fonterra from using its dominance to create barriers to farmers' milk and land flowing to their highest value uses? If not, please provide reasons and supporting information/evidence.

Yes

Q5 Do you think Fonterra is still dominant in the market for farmers' milk, at the national and regional levels?

No

Q6 Do you think the DIRA imposes unreasonable costs on Fonterra? If so, please provide supporting information/evidence.

Yes. Fonterra has to maintain and build capacity to allow for a milk as a cost opportunity cost with milk to other processors.

Q7 Are there ways for the costs imposed on Fonterra to be mitigated without impacting on the effectiveness of the DIRA regulatory regime? If so, please provide supporting information.

Respondent skipped this question

Q8 Are there any other regulatory tools that, in your opinion, would be more effective than the current DIRA provisions at managing Fonterra's dominance? If so, please provide examples and supporting information/evidence.

Respondent skipped this question

Q9 Are there other factors you consider need to be taken into account when considering the effectiveness of the DIRA regime and whether it is still needed?

Respondent skipped this question

Page 5: Chapter 3: The effects of the DIRA and other factors on industry performance (2)

Q10 Do you agree with our preliminary assessment of the extent to which the DIRA encourages industry growth? If not, please provide reasons and supporting information/evidence.

Only Fonterra is under DIRA so other processors don't have to show a milk price on a seasonal curve. Farmers are unable to compare processors against each other.

Page 6: Chapter 3: The effects of the DIRA and the other factors on industry performance (3)

Q11 Do you agree with our preliminary assessment of the extent to which Fonterra can influence milk supply volumes through price, notwithstanding the DIRA open entry requirements?

Respondent skipped this question

Q12 Are there other factors that you consider should be taken into account? Please provide detailed comment in support of your views.

Respondent skipped this question

Q13 Do you consider that the DIRA provisions governing Fonterra's base milk price calculation and Commerce Commission monitoring may be preventing or disincentivising Fonterra from deviating from the base milk price calculation for strategic or commercial reasons?

Respondent skipped this question

Q14 If the DIRA is not driving Fonterra's business and investment strategy, what is? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 7: Chapter 3: The effects of the DIRA and other factors on industry performance (4)

Q15 Do you agree with our preliminary analysis of the DIRA's impact on the industry's environmental performance? If not, please provide your reasons and supporting evidence.

Respondent skipped this question

Q16 Do you agree with our view that environmental issues are best dealt with through the Resource Management Act and not the DIRA regime?

Respondent skipped this question

Q17 Are there other environmental issues that you consider should be addressed either through the DIRA review or some other means?

Respondent skipped this question

Page 8: Chapter 3: The effects of the DIRA and other factors on industry performance (5)

Q18 Do you agree with our preliminary analysis of the impact the DIRA has on new processor entry? If not, please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q19 Do you consider that large dairy processors should continue to be eligible to purchase regulated milk from Fonterra under the Raw Milk Regulations or not? Please provide detailed comment in support of your views.

Respondent skipped this question

Page 9: Chapter 3: The effects of the DIRA and other factors on industry performance (6)

Q20 Do you consider that greater confidence in the base milk price calculation outcomes could be achieved if additional legislative guidance on the term "practically feasible" were to be provided for in the DIRA? Please provide detailed comment in support of your views.

No

Q21 Do you consider that the base milk price should be set by an independent body (e.g., the Commerce Commission)? If so, please provide supporting information.

NO,NO,NO

Page 10: Chapter 3: The effects of the DIRA and other factors on industry performance (7)

Q22 Do you agree with our preliminary analysis of the DIRA's impact on the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Q23 Are there any other factors that should be taken into account regarding the domestic consumer dairy markets? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 11: Chapter 4: Options for change (1)

Q24 Are there any other options for the DIRA open entry requirements that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q25 What costs and benefits would each of the options for the DIRA open entry requirements create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q26 How well do you think each of the options for the DIRA open entry requirements would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q27 What is your preferred option for the DIRA open entry requirements? Please provide your reasons and information/evidence in support of your views.

It has to be viable to collect and process, let the market decide.

Page 12: Chapter 4: Options for change (2)

Q28 Are there any other options for access to regulated milk for large dairy processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q29 Do you consider that the proposed 30 million litres threshold is too high or too low? If so, what would you consider the right threshold to be, and why?

Respondent skipped this question

Q30 What costs and benefits would each of the options for access to regulated milk for large dairy processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q31 How well do you think each of the options for access to regulated milk for large dairy processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q32 Do you have a preferred option for access to regulated milk for large dairy processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 13: Chapter 4: Options for change (3)

Q33 Are there any other options for the base milk price calculation that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

This should cover all processors so farmers can compete.

Q34 What costs and benefits would each of the options for the base milk price calculation create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q35 How well do you think each of the options for the base milk price calculation would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q36 Do you have a preferred option for the base milk price calculation? Please provide your reasons and information/evidence in support of your views.

Only that other processors should publish the same net base milk price to the seasonal milk curve.

Page 14: Chapter 4: Options for change (4)

Q37 Are there any other options for access to regulated milk for Goodman Fielder and smaller processors that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q38 What costs and benefits would each of the options for access to regulated milk for Goodman Fielder and smaller processors create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q39 How well do you think each of the options for access to regulated milk for Goodman Fielder and smaller processors would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q40 Do you have a preferred option, or a combination of options, for access to regulated milk for Goodman Fielder and smaller processors? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 15: Chapter 4: Options for change (5)

Q41 How best do you consider "market dominance" could be measured? For example, are there certain criteria (other than a market share threshold) that could be provided for in legislation as a trigger for review and/or expiry of the DIRA?

Respondent skipped this question

Q42 Are there any other options for the DIRA review and expiry provisions that you think should be considered? Please provide sufficient detail when describing any alternative options as well as reasons for considering these.

Respondent skipped this question

Q43 What costs and benefits would each of the options for the DIRA review and expiry provisions create for your business? Please provide quantitative information if possible.

Respondent skipped this question

Q44 How well do you think each of the options for the DIRA review and expiry provisions would perform against the principles of good regulatory practice of promoting certainty and predictability of regulatory outcomes, transparency, cost-effectiveness and timeliness of regulatory processes?

Respondent skipped this question

Q45 Do you have a preferred option, or a combination of options, for the DIRA review and expiry provisions? Please provide your reasons and information/evidence in support of your views.

Respondent skipped this question

Page 16

Q46 Do you have any other comments you feel were not captured by the questions in this survey? Please enter them freely below.

1. All dairy processors should have to publish a net milk price to the seasonal milk curve.
2. Stop locked in contracts.
i.e. OCD 8 year contract with the first 5 years locked in. how can a farmer then leave to go to Fonterra?
3. NZ needs a large dairy co op, as all profits go back and stay in NZ rural towns and supports communities.

Q47 Please enter your contact details. These will be held privately and used to contact you only regarding the progress of the review.

Name

City/Town

Email Address

Phone Number

s 9(2)(a)