



Office of Hon Nathan Guy

MP for Otaki

Minister for Primary Industries

Minister for Racing

B14-593

Dr Mark Berry
Chairman
Commerce Commission
PO Box 2351
WELLINGTON 6140

Dear Dr Berry

Report on the state of competition in the New Zealand dairy industry

I am writing to request that the Commerce Commission prepare a report on the state of competition in the New Zealand dairy industry.

As you know, the Dairy Industry Restructuring Act 2011 (the DIRA) contains pro-competition provisions to address the impacts of Fonterra's dominant position in the farm gate and factory gate markets in New Zealand. The provisions are designed to expire when there is workable competition in the relevant markets.

Section 148 of the DIRA sets out the expiry process, which requires me to request a report on the state of competition in the industry as the first step.

I attach terms of reference for the report, which I have approved in consultation with the Minister of Commerce and Consumer Affairs.

I require the report by 1 March 2016.

Jarred Mair, Director, Sector Policy will be the key contact at the Ministry for Primary Industries in relation to this work. Jarred can be contacted on 04 894 0676.

Yours sincerely

Hon Nathan Guy
Minister for Primary Industries