

2001 GLOBAL CO vs. 1999 MEGA CO

FEATURE	1999 MEGA CO-OP	2001 GLOBAL CO
Goal: to grow sales to \$30 billion in 10 years	Yes	Yes
Goal: to save \$300m pa in costs	Yes	Yes
Merge Dairy Board, Kiwi and NZ Dairy Group into one co-operative	Yes	Yes
Deregulation in 12 months	Yes	Yes
Commerce Commission approval required	No	Yes
Sell 50% of NZ Dairy Foods	Yes	Yes
\$15 billion of new capital	Yes	Yes
An extra \$4 billion of new share capital from non-farmers	Promoters say no, but probably yes	Yes
Separate 'A' shares for manufacturing + exporting of NZ milk	No	Yes
Separate quota shares ('Q' shares) for farmers	No	Yes
Trading of 'A' shares among farmers within band of 80-120% of supply	No	Yes
Farmer choice to invest in new overseas consumer-market ventures	No	Yes
Separate vehicle to for new overseas consumer-market ventures	No	Yes
Relative simplicity of withdrawing capital	Lower	Higher
Avoid special Government regulations and regulator to oversee GDC/Mega Co-op	No	Yes

FEATURE	1999 MEGA CO-OP	2001 GLOBAL CO
Requirement on GDC/Mega Co-op to sell milk to competitors	Yes	[No]
6 year phase-out for automatic holding of quota rights by GDC/Mega Co-op	Yes	Yes
Farmer-owned Quota Company to hold and tender quota rights after 6 years	No	Yes
Tax treatment	Reportedly the Same	
Separation of non-commercial activities		

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June 2001