

Growers form United Front to take on Duopolists Coles and Woolies

by joan Tuesday, Sep 24 2013, 11:47am

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Greedy pig supermarket chains Coles and Woolies seem to have forgotten how they made their profits and who they continue to depend on for fresh produce. Duopolist supermarket chains have gained [notoriety](#) recently for their callous treatment of customers and squeezing producers to the bone but things are about to change, growers have formed a united front to challenge the duopolists. All that is required now are large farmers markets in every major suburb and it's all but over for the supermarket chains and their avaricious profiteering and callous customer/staff abuse.



From Stock & Land:

Hort group takes on Duopoly

by Colin Bettles

HORTICULTURAL groups in NSW, Queensland, Victoria and WA have joined forces to pressure the federal government into adopting a mandatory code of conduct for supermarkets.

The groups say a mandatory code will protect farmers against potential market power abuse by food retail giants Coles and Woolworths.

However the move has shocked other key industry groups who are working to develop a voluntary code of conduct to address supply chain competition concerns.

The National Farmers Federation (NFF), which aborted the voluntary code development process in March, is also largely in the dark over the new development.

NSW Farmers Association horticulture committee chairman Peter Darley said a new committee comprising State farming groups had been established to lobby for a mandatory code.

The NSW apple grower and committee spokesman said the committee wanted changes made to the Trade Practices Act to promote fairer trade and greater transparency between horticultural producers, processors and the retail duopoly.

Changes to the Act would also give the Australian Competition and Consumer Commission (ACCC) more powers to protect growers from poor price returns, he said.

“We need fair and equitable trade and better transparency to protect growers,” he said.

Mr Darley said the new Coalition government and Small Business Minister Bruce Billson had committed to a “root and branch inquiry” of national competition regulations, pertaining to the Act and the ACCC’s powers.

He said moves by other groups to develop a voluntary code of conduct were akin to “reinventing the wheel”.

He said the ACCC has investigated some issues of market power abuse between suppliers, growers and the supermarkets and signalled a harder stance on competition issues.

But the competition watchdog has its “hands tied to an extent” in investigations, he said.

Mr Darley said his committee wanted a whole of industry code implemented otherwise more farmers would be lost due to strained profitability.

“That’s what it amounts to - farm debt is being exacerbated by lack of transparency in the industry,” he said.

“There’s a major need for reform.

“Governments talk of food security and do nothing about it but now there’s a chance for (new Minister for Agriculture) Barnaby Joyce to legislate for food security to protect food security in this country.”

Mr Darley said his group would hold the new Minister accountable to comments he made immediately after taking the new job last week, in summarising his new role as being to “get a fair return back to the farmgate”.

NFF chief executive officer Matt Linnegar said his farm lobby group was briefed last week on the horticultural committee’s plans to push for a mandatory code of conduct.

Mr Linnegar said he was still working out details of the committee’s plans but demands for a mandatory code were “nothing new”.

“We’ve already called for a mandatory code of conduct and done some work up to now,” he said.

Mr Linnegar said the new group’s moves didn’t change the NFF’s position supporting a mandatory code or looking at a voluntary code “with real teeth”.

A spokesperson for the Australian Food and Grocery Council said its work to develop a voluntary code of conduct with the two big supermarkets would remain unaltered by the horticultural committee’s new moves.

Coles’ spokesman Rob Hadler said just like the NFF and new government, he knew virtually nothing about Mr Darley’s new committee and its plans for a mandatory code of conduct.

He said it “seems like a bright idea, but we’ll wait and see where it goes”.

“In the mean time, we’ll continue to work very constructively with our farmer suppliers to make them happy with higher sales volumes,” he said.

Mr Hadler said he was happy to talk to any farming group about its plans for industry and new ways to improve supply chain relations.

He said the “vast majority” of farmer suppliers were very happy with Coles as they’d seen sales volumes increase over the past four years.

A raft of proposals and government reviews were currently underway looking at supply chain competition issues but it was too early to say what the outcomes would be, he said.

During the recent federal election campaign, Tony Abbott backed the industry’s current move to develop a voluntary code of conduct saying it was “a good thing”.

“I would prefer as far as is humanly possible to allow the good sense of the people in the sector to prevail, rather than start to impose solutions from government,” he said.

At the time, Mr Abbott’s support for a voluntary code of conduct was welcomed by the Australian National Retailers Association CEO Margy Osmond, speaking for Coles and Woolworths.

Prior to the election, Mr Joyce backed the NFF’s view, saying he supported a mandatory code and appointment of an ombudsman to monitor relationships between farmers and the supermarkets.

The Nationals have also flagged changes to the Competition and Consumer Act to give dairy farmers greater collective bargaining power and other legislative protections against monopolistic behaviour.

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