



MEDIA RELEASE

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Code compliance a two-way street

Fresh Markets Australia (FMA), the national body for representing Market Wholesalers, states that it is strongly supportive of the use of documented terms of trade, but notes that this is a responsibility of both Growers and Wholesalers.

FMA Executive Director Andrew Young said that getting Growers and Wholesalers to comply with this requirement has been an ongoing issue since the Horticulture Code of Conduct was introduced in 2007.

“The task of promoting compliance has been made very difficult because of the unworkable requirements of the Code,” Mr Young said.

“On that basis, it is perhaps very unfair for the Australian Competition and Consumer Commission (ACCC) to pursue compliance requirements against a Trader (Wholesaler), if they are not going to seek those same undertakings from Grower.”

Mr Young said that the problem with the existing anti-competitive and one-sided Code of Conduct is that without a commercial focus and without the responsibilities applying equally to both sides of the transaction, it is unworkable.

FMA is seeking amendments to the current Code so as to promote better business practices, and make it more commercial and less prescriptive.

Mr Young said the Federal Government must recognise that the vast majority of the 12 million transactions processed annually by Central Market Wholesalers across Australia’s six Central Markets, do occur without any issues or disputes.

“The government’s response to the current review of the Horticulture Code of Conduct must recognise the prior comments of the Centre for International Economics that the Code imposes a one-size-fits-all approach to address problems with transactions which comprise less than 5% of total sales of domestically produced fruit and vegetables,” Mr Young said.

“The Federal Government must not repeat the grave mistake of a decade ago, implementing a new Code which is not supported by industry and remains unworkable.”

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Note: The Horticulture Code was established in 2007 to regulate trade in horticulture produce between growers and traders of fresh fruit and vegetables and to provide an alternative dispute resolution procedure. The Horticulture Code is a prescribed, mandatory industry code under the Competition and Consumer Act 2010. The code came into operation with the aim of improving the clarity and transparency in transactions between horticulture growers and traders and to provide some standard procedures and mandatory requirements in the trading relationship.

About FMA

The Australian Chamber of Fruit and Vegetable Industries trading as Fresh Markets Australia (FMA) is the national organisation representing each of the six Market Chambers, which themselves are organisations which represent the fruit and vegetable wholesalers located in each of Australia's six Central Markets (Brisbane, Sydney, Melbourne, Adelaide, Perth and Newcastle).

In total, the organisation represents in excess of 400 Market wholesaling businesses. Market wholesalers are involved in the sale of some 50-60% of the fresh produce sold across Australia in servicing the requirements of fruit and vegetable retailers, secondary wholesalers/provedores, foodservice industry businesses, processors, exporters and the public. Over 15,000 growers supply to businesses within the Central Market system. The total turnover of businesses in the Central Markets exceeds some \$7 billion annually.