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MEDIA RELEASE

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Don't make horticulture industry reforms an election campaign 'stunt'

Fresh Markets Australia (FMA) has urged the major parties not to be drawn into an election stunt by rural lobby groups that would see the \$7 billion horticulture industry used as a bargaining chip.

A commitment to introduce all 13 recommendations of the Independent Review of the Horticulture Code of Conduct without industry consultation is amongst a raft of demands being made of the Government and Opposition by a collection of rural lobby groups.

Fresh Markets Australia (FMA) is the peak body representing fruit and vegetable wholesalers across Australia. Its members handle produce from more than 90% of Australia's commercial fruit and vegetable growing establishments valued at \$7 billion a year at wholesaler prices.

FMA Executive Director Andrew Young said, although the FMA broadly supported 11 of the 13 recommendations, significant work needed to be done to ensure the resulting legislation was effective, workable and fair.

In addition, FMA warned of the folly of the thought bubble of 'real-time price reporting' for wholesale fruit and vegetable markets, an impractical and expensive proposal deceitfully being presented as one of the Independent Review Panel's recommendations to the Government. It was very clearly not one of the 13 recommendations made by the Panel to the Government.

Mr Young accused the rural lobby groups of deliberately muddying the waters of public discussion by raising "mandatory real-time price reporting" at fruit and vegetable wholesale markets when discussing the recommendations of the Review Panel.

"To state publicly that the Independent Review Panel has recommended to the Government that the Horticulture Code of Conduct be amended to include mandatory real-time pricing at Central Markets would be outright dishonesty," Mr Young said.

"There are already price reporting services operating in Central Markets and it is very unfortunate that it appears these rural lobby groups are again ignoring the opportunity to achieve workable cost effective outcomes as a prerequisite of this latest review of the Code.

"Such comments undermine the co-operative and productive working relationships that exist between growers and wholesalers."

Mr Young said the review of the Code was too important to the future of Australian horticulture to use as a cynical grab for votes.

"A period of caretaker government during the commotion of an election campaign is not the time to consider the recommendations of the Independent Review," Mr Young said.

"It is worth remembering that the current unworkable Code was introduced on the fly during the 2004 election in a desperate bid to shore up the rural vote. This has already been recognised by the Government.

"Stakeholders, including growers and wholesalers, have been assured by Assistant Minister for Agriculture and Water Resources Senator Ann Ruston that the Department of Agriculture would prepare a discussion paper on the review recommendations before the government issued its formal response.

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“On delegated authority from Deputy Prime Minister and Minister for Agriculture and Water Resources, Barnaby Joyce, Minister Ruston promised that the discussion paper would be provided to all interested parties and their comments sought.”

Mr Young said FMA had always believed the Independent Review was a way of fixing faults in the eight-year-old Code that risked destabilising Australia’s fresh fruit and vegetable supply chain.

“We acknowledge the work of panellists Mark Napper and Alan Wein, who spoke with a wide cross-section of industry players, including growers and wholesalers, and who reviewed a large number of submissions in making their report,” Mr Young said.

“In particular, we endorse absolutely the panel’s comment that ‘...the Horticulture Code is not intended to substitute good business behaviours, conduct and practices, but rather to support these disciplines through simple, but effective regulation’.

“Now they have made their recommendations, it is appropriate that proper consultation and legislative processes continue to be followed to ensure the current Code of Conduct works for all parties involved in the Australian Horticultural industry.”

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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.