



12 September 2014

## **RESPONSE BY THE AFGC SME CEO FORUM TO FOOD AND GROCERY CODE CONSULTATION PAPER**

The Australian Food and Grocery Council (AFGC) has a large number of small and medium enterprise members, in fact 54% of the membership fall into this category.

To better reflect the diverse and differing needs of smaller food and grocery companies the AFGC has a well-established SME Chief Executive Officer (CEO) Forum.

The forum is open to the CEO's, Managing Directors and Senior Executives from the full membership of the AFGC. It meets at least three times per year to examine and explore a broad range of current and emerging issues that may impact SME members and their businesses.

Throughout the development of the Retailer Supplier Roundtable (RSR) Food and Grocery Code the SME CEO Forum provided invaluable input into the matters and issues to be addressed through the core obligations, this was informed by the collective experiences of the group.

The SME CEO Forum consider the proposed Food and Grocery Code a good example of an industry led initiative which will result in a more balanced approach to negotiations with key trading partners. The Food and Grocery Code, as intended by the RSR, should lead to a better and more collaborative discussion on how collectively the industry can respond to shoppers and consumers and their needs.

The RSR Code deals comprehensively with issues central to relationships between retailers and suppliers and it is the preference of the SME CEO Forum to remain as faithful to the November Code as possible. This includes;

- 'Opt in ' model being maintained, providing a binding instrument for retailers that choose to sign on;
- Commercial flexibility for both suppliers and retailers is important to be able to reach agreements on terms that are mutually acceptable;
- Clear obligations on the retailer that guide the negotiations and prevent unnecessary requests; and
- Rigour in the grocery supplier agreements which clearly set out standards of behaviour across a number of transactions between the parties.

The SME CEO forum reinforce the significance of the introduction of the proposed Code and eventually would be keen for it to be extended to the broader industry by additional retailers choosing to do business within the framework of the Code as signatories.



one voice - adding value

This industry led initiative will assist trading partners deliver improved performance across the value chain and shift the focus to bringing together suppliers and retailers in pursuit of business practices for efficiency and positive change across our industry benefiting shoppers and consumers without impeding competition.

A handwritten signature in black ink that reads 'Barry Cosier'.

Barry Cosier  
Chief Executive Officer  
Madura Tea Estates  
AFGC SME Forum Co-Chair

A handwritten signature in blue ink that reads 'Anthony Paech'.

Anthony Paech  
Managing Director  
Beerenberg Pty Ltd  
AFGC SME Forum Co-Chair