



29 February 2024

Grocery Code Review Secretariat  
Market Conduct and Digital Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Via email: [GroceryCodeReview@treasury.gov.au](mailto:GroceryCodeReview@treasury.gov.au)

Dear Dr Emerson

**RE: Independent Review of the Food and Grocery Code of Conduct 2023–24**

The Red Meat Advisory Council (RMAC) is Australia’s only policy leadership and advisory forum made up of producers, lot feeders, processors, smallgoods manufacturers, independent retailers and livestock exporters, representing the entire red meat supply chain from paddock to plate. RMAC members are the following prescribed industry representative bodies under the Australian Meat and Live-stock Industry Act 1997 (AMLI Act):

- Australian Livestock Exporters' Council (ALEC),
- Australian Lot Feeders' Association (ALFA),
- Australian Meat Industry Council (AMIC),
- Cattle Australia (CA),
- Goat Industry Council of Australia (GICA), and
- Sheep Producers Australia (SPA).

RMAC appreciates the opportunity to comment on the Competition and Consumer (Industry Codes–Food and Grocery) Regulation 2015 (the Code).

The red meat supply chain has long standing commercial relationships with all major supermarkets across the country which have largely operated in an open and transparent manner with no evidence of market failure in the sector. While subject to the vagaries of supply and demand, both domestically and internationally, the red meat industry has a range of marketing options for its products. RMAC is not aware of any credible evidence that suggests there is an imbalance of power with the red meat supply chain.

Australian supermarkets compete with a vibrant export market and they buy less than 20% of all red meat produced. While producers target specifications, livestock as a product do not rapidly ‘expire’ and suppliers have options to trade their animals as store or finished articles in response to seasonal and market conditions. These dynamics mean producers have multiple choices of who and when they sell their livestock and differentiate the red meat supply chain from other fresh produce.

As an industry that operates predominantly on a forward contract basis, suppliers of the major supermarkets can accept or reject any contract as they see fit based on their individual



AUSTRALIAN LIVESTOCK  
EXPORTERS COUNCIL



AUSTRALIAN LOT FEEDERS' ASSOCIATION



Australian  
Meat Industry  
Council



CATTLE  
AUSTRALIA



Goat Industry Council of Australia





circumstances. The fact that some suppliers to major supermarkets have had ongoing relationships (in some cases over 40 years) speaks volumes for the effectiveness and mutual benefits the existing system provides.

These long-standing relationships highlight the current dispute resolution provisions provide an effective framework to deal with any dispute as needed. RMAC has concerns that making the Code mandatory, would compel suppliers to pursue disputes with retailers through litigation, resulting in a protracted and costly process. Due to the cost and likely destruction of the relationship, it is highly unlikely that a supplier would have the resources to pursue a resolution through legal means.

RMAC is, therefore, opposed to any regulatory impost that will increase the complexity and cost of doing business. Ultimately any extra costs will be absorbed along the supply chain which are ultimately passed on to the consumer, which at every level is a perverse outcome and contrary to the objectives of the review.

Based on these points, we see no evidence that would support a case to amend, remake, repeal or make mandatory, the Food and Grocery Code of Conduct. RMAC would therefore oppose any changes to the Code that would place additional regulation on a system operating effectively and is consistent with free market principles.

Yours sincerely

John McKillop  
Independent Chair  
Red Meat Advisory Council

