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Tacon appointed as new supermarket adjudicator



Former Co-operative farms managing director Christine Tacon has been appointed by the government to head the first Groceries Code Adjudicator.

The National Farmers' Union said the appointment was an 'important step' in the battle to ensure fairness across the supply chain.

Tacon will be responsible for enforcing the Groceries Supply Code of Practice which regulates interactions between the largest supermarkets and their suppliers.

Power to fine

"The food industry plays an important role in economic growth, and the Groceries Code Adjudicator will help to ensure that the market is operating in a fair and healthy way" said competition minister Jo Swinson.

Powers to fine retailers who unfairly treat their suppliers was given to the new adjudicator in early December by the minister.

But she said such fines would be used as a last resort.

"We expect fines to be used as a last resort, but the fact that the Adjudicator has the power to impose them will send a strong message to retailers that compliance with the Code is not optional. I am confident that these changes will mean that the Adjudicator is able to ensure fair play in the food supply chain and keep the industry growing."

Farming unions across the UK have consistently called for a watchdog to ensure a level playing field in the grocery supply chain, for the adjudicator to have the power to take credible evidence from reputable sources, and to be able to fine retailers for breaking the code.

"This is an important step forward and will reassure farmers that progress continues to be made to introduce an adjudicator that will have the necessary 'teeth' to curb the abuses of power that can undermine farmers and the supply chain, with implications for consumers" said NFU President Ed Bailey.

NFU head of food and farming Phil Hudson said: "This is an important step forward and will reassure farmers that progress continues to be made to introduce an adjudicator that will have the necessary 'teeth' to curb the abuses of power that can undermine farmers and the supply chain, with implications for consumers."

"Now Ms Tacon has been appointed, we look forward to her taking up post and quickly getting to grips with the issues affecting our members. Once she has formally taken up her role we will look to meet her to discuss our concerns over the way in which the supply chain operates."

'Powerful supermarkets must be brought into account'

Friends of the Earth food campaigner Vicki Hird said powerful supermarkets must be brought into account if they limit customer choice or short-change farmers.

"Christine Tacon must stand up to the food industry and impose tough penalties on businesses that break the Grocery Code of Practice."

'Breakthrough'

The need for a Grocery Code Adjudicator, which has cross party support, was made clear in two reports by the Competition Commission published in 2000 and 2008.

"This breakthrough has only come through dedicated campaigning, with members of the public across the country pushing MPs for action to curb supermarkets' excessive power" said Murray Worthy, campaigner for the charity War on Want.

In October, activists staged a demonstration to highlight the need for the government to ensure the new supermarket watchdog being introduced has the power to fine supermarkets for unfair buying practices.

"It is a great step towards securing fair treatment for workers around the world who pick, pack and grow our food" Worthy said.

'Suppliers have for too long been subject to unfair treatment'

NFU President Peter Kendall said: "Producers and suppliers have for too long been subject to unfair treatment by large retailers. Despite some positive work in recent years, abuse still happens. It is vital that Parliament ensures the adjudicator is equipped with the full range of powers to do his or her job effectively."

Sean Roberts, Policy Director at the Food Ethics Council, said a strong adjudicator will play an important part in promoting environmental sustainability, by helping to nudge consumers towards sustainable diets.

"If we are going to move towards more sustainable consumption, then we need to place a higher value on the natural resources that contribute to the production of our food – in other words, the environmental costs of food production need to be reflected in prices" Roberts said.

"But this would never have happened if retailers (and consumers) were able to avoid paying their fair share of these costs by pushing all of the burden onto producers."

The British Retail Consortium said the power to impose fines on retailers does not suggest the UK is the best place to do business.

"What kind of message does this send about the Government's attitude to Britain as a place to do business?" asked Stephen Robertson, Director General for the consortium.

"The Groceries Code covers business-to-business relationships. The Competition Commission has consistently said supermarkets benefit customers."

"We've long maintained that the power to impose fines is unnecessary and heavy-handed and should be kept in reserve. The Code already has a provision for 'naming and shaming' retailers – that's a significant sanction and a much fairer system which would deliver better for suppliers, retailers and consumers."

However, CLA President Harry Cotterell sounded a note of caution.

"Giving the Adjudicator powers to impose financial penalties on large retailers without having to go through the Secretary of State for approval is an extremely welcome move. Now it is up to Adjudicator to ensure this works in practice and the supermarkets do not ride roughshod over the new system."

He added: "Supermarkets have got away with unfairly treating suppliers for too long. An ombudsman with bite is really needed to boost economic growth and ensure fair treatment for farmers."

'Adjudicator will make no difference'

Previously, the BRC's Food Director Andrew Opie said that a supermarket adjudicator will make no difference because few farmers deal directly with the supermarkets.

A report released by the BRC said farmers are benefiting from retail investment in the food supply chain and recommends investment in supply chains.

It includes examples of collaboration which are boosting UK farmers' returns and helping them benefit from meeting customers' needs. Farmers are also being helped to reduce both their costs and environmental impact.

The BRC says its evidence shows the mutually-beneficial relationships which help both consumers and these farmers are already in place.

It has also said the Groceries Code Adjudicator will only cover supermarkets' relationships with direct suppliers. They said it is a myth that it will make any difference to the majority of farmers.

The reports found that many big supermarkets were abusing powers in the market and were transferring 'excessive risk and unexpected costs' to farmers, growers and suppliers.

Notwithstanding the reports, some MPs and farming bodies said the watchdog's powers fall short of what is needed to make a difference.

"This flies in the face of common sense and is yet another piece of disproportionate legislation aimed at food retailers. It's a major let-down and makes it even more important that retailers are given a full right of appeal against being fined or 'named and shamed'" said Robertson.