



FLOWER TRADE LOOKS FOR CONSUMERS' LOVE

As the UK flower trade gears up for one of the most important periods in the year, suppliers and florists are facing a number of major concerns.

FEATURE PAGES 20-21 »

CUCUMBERS' TOUGH CALL

Suppliers are concerned prices are not matching the increase in input costs.

REPORT PAGE 22 »



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FRESH PRODUCE Journal FPJ

NEWS
**SOFT-FRUIT
PEST ALERT**

MEET THE ADJUDICATOR

CHRISTINE TACON

Grocery ombudsman doesn't hold back as she describes her determination to clamp down on poor supply chain practices by supermarkets



**South Africa's EU
import warning**

Wholesalers • Importers • Growers • Retailers

*Does your company trade with
the UK flower and plant sector?*

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Let's hear it for a fair way of working



This has been a long time coming but, as Bob Dylan famously sang, 'the times they are a-changin'', with the appointment of Christine Tacon as the Groceries Code Adjudicator. At last suppliers have an official resource to turn to when they feel pressed by the supermarkets. Many will be

watching to see if Tacon has the influence that her position promises to create fair conditions for growers to do what they do best, supply Great British produce.

But it will be a two-way street. Tacon, a highly intelligent and determined woman, is ready to take on the supermarkets on behalf of producers but she can only do this if people talk to her.

This is a pivotal moment, one where growers and suppliers have to support one another and more than that, fully realise the fact that they play an incredibly important part in feeding this country. With world-weather patterns changing, supermarkets can no longer assume that if the UK growers do not dance to their tune, they can simply import. It is time for a shift in the balance of power, and we wish Tacon all the best as she strives to achieve this.

Samantha Lyster, Deputy Editor

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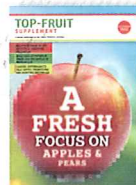
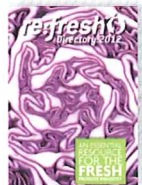
ANNUAL SUBSCRIPTION RATES

UK £125.00 (weekly £2.80)

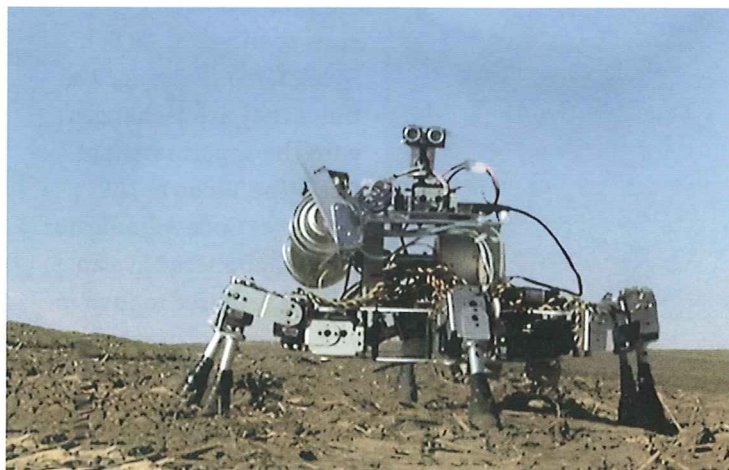
EU countries £125.00

Rest of the world £148.00

CONTACT PATSY HOLMES ON 020 7501 0311



'Engineering & robotics will boost farming' says Tacon



— Rise of the machines: robots could help fruit and veg production

BY THOMAS HOBBS

The first Groceries Code Adjudicator, Christine Tacon has called for an increased focus on agricultural engineering to support an increase in food production.

Speaking during a presentation to students at the University of Cambridge's Institute for Manufacturing, Tacon insisted that farming techniques such as sustainable intensification should be championed ahead of GM crops.

"There is a whole branch of engineering we haven't even started to look at and if you look closely at the science behind GM, it can actually help us to better understand the natural plant and how to get more out of it; it is misguided to think the only answer to feeding a rising population is GM crops," said Tacon.

She added: "There are currently only 700 Chartered Agricultural

Engineers, yet tens of thousands in other disciplines and this has to change."

Citing Japan, which is currently only 40 per cent self-sufficient in its food production and as a result is pioneering the use of robotics, Tacon also stressed to students the benefits of both satellites, which can be used to analyse field disease and soil health, and robotics to aid fruit and vegetable production.

"We currently struggle to get people to work on farms and interest is dwindling among migrant workers; machines can help to fill the gap," explained Tacon.

Tacon was full of praise for a new range of robots (pictured) currently being developed by engineer David Dorhout, which are designed to plant seeds while coordinating with a gang of other field robots. The farm robots are also being developed to weed, fertilise and harvest. "The farmer is like the shepherd that gives the robot instructions," said Dorhout of the technology.

Meanwhile, farming union Unite, which is currently fighting to save the Agricultural Wages Board, has written to Tacon and urged her to probe the major supermarkets' relationships with their suppliers and the pressure they exert to drive down labour costs.

Unite's Julia Long said: "This will reveal if the new ombudsman has real teeth to right injustices and inequalities in the major supermarkets' relationships with their suppliers which, in turn, impacts, currently adversely, on those working on the land." — FPJ

You can read FPJ's exclusive interview with Christine Tacon on pages 16 - 18.

GOVERNMENT

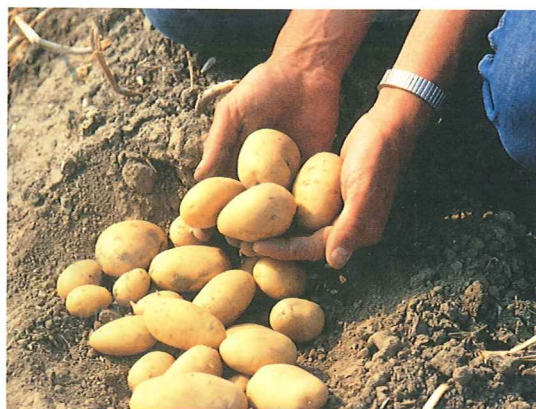
New AHDB grant will help train growers

The Agriculture & Horticulture Development Board (AHDB) has won a grant worth £490,000 from the Regional Development Programme for England (RDPE) to help knowledge transfer of advanced technical skills for growers and farmers.

It will fund 25,000 hours of training for more than 2,000 farmers and growers

across England, from January 2013 to March 2014. With industry match funding, this brings the total amount secured by AHDB under the current RDPE programme to £2.2m.

Focusing on potato, horticultural, arable and oilseed producers, training activity will be staged in the regions where the specific crops are farmed.



— New grant will have a focus on potato production



Fighting for fair play

Suppliers hope that the new Groceries Code Adjudicator, Christine Tacon, can eliminate foul play from the retail supply chain. Thomas Hobbs met her to find out how she plans to do it

When Christine Tacon was announced as the long-awaited Groceries Code Adjudicator last month, it's fair to say there was a sigh of relief from many corners of the fresh produce industry. Previously MD of Co-operative Farms and brand manager at Mars Confectionary, Tacon has a strong background in both agriculture and as a supplier to supermarkets. Now with the power to impose fines for any breach of the Groceries Supply Code of Practice, she has been backed to end bad practice towards suppliers from Britain's biggest supermarkets.

FPJ caught up with Tacon at the University of Cambridge's Institute for Manufacturing, where, as an ex-student, she had just finished a talk about the importance of engineering within agriculture, and despite the challenge ahead, her passion for the post was immediately apparent.

What will you bring to the role of Groceries Code Adjudicator?

When I left The Co-operative, I realised I didn't really want to leave farming altogether as I felt I could continue to make a difference. When I was reading this role's specifications it seemed like it was written for me as it isn't just about farmers supplying retailers, it is for anyone in the grocery industry that supplies retailers and I have experience on both sides of the supply chain.

Anybody coming in new would not believe the types of issues and events that take place in the retail industry; I don't need anybody to tell me. As a sales director I have been at the end of difficult and very awkward negotiations with retailers, so I'm aware of what happens.

Do you believe the fresh produce industry currently has a problem with supermarkets mistreating their suppliers?

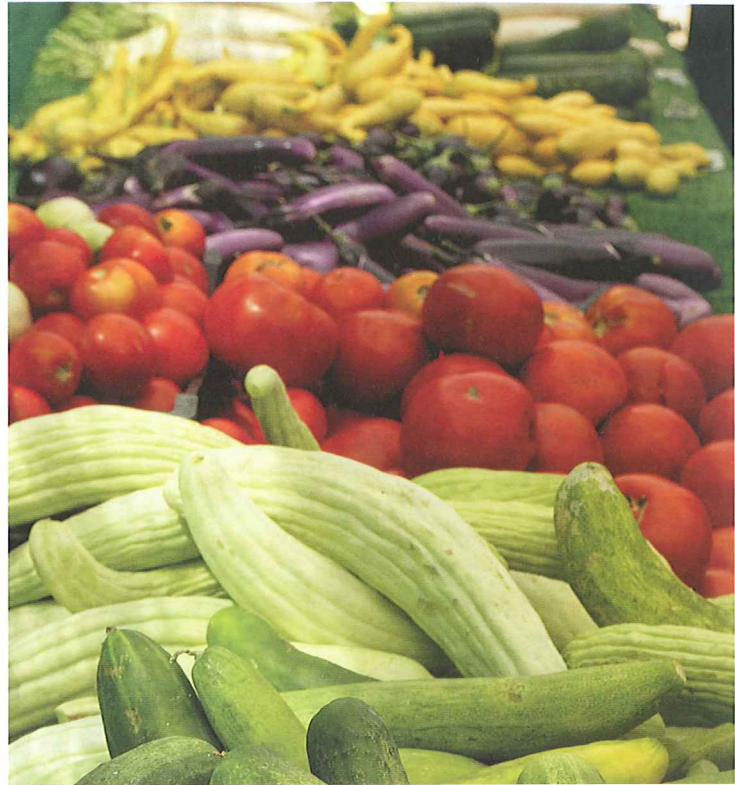
Yes, there has certainly been an issue in recent times. Things like asking for retrospective discounts, asking for listing fees and retailers insisting that suppliers use a third-party packaging supplier or haulier even though it costs a lot more have been rife.

I spoke to a supplier just last week who has been told they should use a particular haulier, even though they know they can get the same service much cheaper elsewhere, so there is clearly something still going on.

I first need to make sure everybody has contracts, as if people haven't got contracts in the first place, I don't know how I am going to make sure that a lot of these things weren't already pre-agreed.

How will everything work? Will you actively be investigating retailers or only doing so once you have received complaints?

Every retailer has to have its own compliance officer, so at the moment any direct supplier has the opportunity to go to the compliance officer and say "I've been asked to do something wrong and in my opinion that breaks the code." If they can't agree or the compliance officer thinks they're wrong, they can come to me and I will arbitrate the



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1— Christine Tacon CBE

2— F&V growers have been calling for more support to stamp out bad practices

One of the biggest issues is the subject of anonymity, with many suppliers fearful that if they do make a complaint, their identity will be revealed and they will be, to quote one vegetable supplier, 'marked for death'. How are you going to ensure this doesn't happen?

Someone can come to me and make a formal complaint and say 'I want to remain anonymous'. If I think by investigating, say, carrot supply, there is a danger the supplier will be traceable then I have to work out how to launch an investigation in a way in which they won't be exposed. Rather than carrots, I might say I am launching an investigation into the haulage of root vegetables; something which broadens the focus rather than narrowing it down.

While I can investigate problems across the whole of the fresh produce industry, I must have evidence that there is something bad going on in the first place. You will probably end up with a rogue buyer somewhere but I have to hope that all of the people supplying that buyer will say something so the retailer can be forced to sort out the issue. I think >>

issue by listening to both sides of the argument and interpreting the code to the scenario. When that happens, the retailer has to pay all the costs unless it is a frivolous complaint and I can subsequently award compensation to the supplier.

Things like retailers over-ordering on promotions and then keeping the promotion in stock and selling it at full price we will clamp down on. It is obvious there will be things like haulage where, if consolidated, it will be cheaper. But when something is consolidated and then overcharged there is clearly something wrong.

The other string of what I can do is launch investigations. The idea is there will be between two to four investigations a year.

The government wants whole areas of retail to be investigated to set a precedent to say this is how you should behave in the future.



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that when you have a rogue buyer you are reliant on someone actually saying something.

I am happy to see people face to face and not record anything. I want to get a picture of where people think the biggest problems are going on so we can subsequently investigate. I am meeting a fresh produce supplier later today and I hope to make this a regular thing.

Have you been pleased with the reaction since you were announced as the adjudicator?

I have been overwhelmed by the publicity and support I have received. I think the publicity, which I had not anticipated, is brilliant as I now expect all 10 of those retailers at their next board meetings to have a director or non-executive director asking: "What are we doing to make sure that woman has nothing on us?"

Compliance officers will start to realise I am going to start speaking to them regularly so they'll need to figure out what is going on as officers will look really stupid if I come in and they've never done an audit before.

What level of fine would be considered a deterrent if a supermarket was found guilty, and how are the costs split?

I need to do a recommendation to the secretary of state on what I think the fines should be. In my opinion, they will be calculated by event. I am of the opinion that the fine should be far worse than the benefit. If a retailer is breaking the code without realising it, they could end up building up a massive bill.

There will be four or five staff and I'll also have access to a legal counsel. In terms of funding, we've been allocated £200,000 and will then get £800,000 a year from then onwards, with the bill currently being evenly allocated across all 10 retailers. If one retailer is causing 50 per cent of the problem, then I have the right to say that they can pay up 50 per cent of the bill. You have the right to vary things based on the weight of work a retailer is causing.

I expect all 10 of those retailers at their next board meetings to have a director asking: "What are we doing to make sure this woman has nothing on us?"

The fact I can impose fines is quite a weapon, as every retailer is worried about their bottom line and the



- 3— The farming industry has long called for the adjudicator
- 4— Retail prices of fresh produce will be under scrutiny from Tacon

reputation of their brand. The fines could easily be eight-figure sums.

I like the fact I have a very tight remit; my role is about ensuring fair trade and the enforcement of contracts.

Are there already areas you have a focus on?

If I find people don't have contracts, there will be an issue. When I meet people I will be asking them what is going on in haulage, what is going on in packaging, so I will definitely focus on areas where I know there have been issues in the past.

For example sometimes supermarkets would have a set agreement on how many promotions they have per year and inevitably towards the end of that year, they ask for another one; this is the sort of thing you know that happens. If suppliers are asked to do additional promotions at the same level of funding that isn't in their contract, it is wrong and they must come to me. It is usually a struggling retailer that will try to cut corners with their suppliers.

What do you want to achieve a year from now?

A year ahead from now I want to get the recommendations agreed with the secretary of state in terms of what level the fines will be. I want to have built some sort of contact with all the compliance officers and to have worked out how we can work together, and I want to feel there is a level of trust for people in the fresh produce industry to come and tell me what is going on.

In a year's time, I would like to say I have started at least one investigation but I don't want to rush into them. Retailers must start looking at what they are doing. I want the message of the code and how it will be enforced to be active in the minds of CEOs. —FPJ



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