

Farming Life

Little hope of adjudicator getting involved in food pricing

Tacon sends out clear message to the big retailers

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The Grocery Codes Adjudicator Christine Tacon has told Farming Life that she is in constant liaison with all of the main supermarket retailers in the UK about issues that have a direct bearing on how they deal with suppliers.

These matters include late payment plus the significant number of errors made by retailers, in terms of their general interaction with food companies, and how these matters are subsequently rectified.

Tacon recently found TESCO to be in violation of the Groceries Supply Code of Practice (GSCOP).

"This has sent a clear message to all of the other food retailers," she said.

But Tacon also pointed out that there was little or no appetite at government level to have her role extended beyond its current guidelines.

"I know that farming organisations want an adjudicator with the powers to examine the prices paid by the supermarkets and how these are fed back to farmers. For this to happen would require the introduction of new legislation. But this might also be seen as a way of fixing prices to farmers, which would

contravene the principle of an open market for food products."

Tacon was speaking prior to her taking part in a Northern Ireland Food and Drink Association (NIFDA) hosted seminar at Parliament Buildings, Stormont, held earlier this week, at which she discussed the general implications of the Tesco case for local food supply companies.

"I will be formally monitoring progress and requiring evidence from Tesco that my recommendations are being met," she explained.

"In particular, I have set a seven-day deadline for resolving pricing errors and stopped the retailer from making unilateral deductions from money owed for goods sup-

plied. Suppliers will have 30 days to challenge any proposed deduction and then Tesco will not be able to make the deduction until the disagreement is resolved.

"During my investigation I also uncovered practices relating to better positioning and allocation of shelf space, such as requests for investment, range reviews, category captaincy and category management. I decided they require further scrutiny and am launching a formal consultation shortly."

Tacon added that there had been major improvements in Tesco's dealings with suppliers since her report was published.

TURN TO PAGE 2 →

From front

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Michael Bell, NIFDA Executive Director, commented: "The GSCOP and the Adjudicator have the potential to transform the historic imbalance between suppliers and retailers, and the report into

Tesco has been a very significant milestone in their work.

"We are pleased to support this seminar on behalf of our members who are keen to find out more about what the implications of the Tesco re-

port are for their businesses and how they can help ensure fairer trading with retailers in future.

"We have met with the Groceries Code Adjudicator several times and are very en-

couraged with the progress made to date. We were the first organisation to run a GSCOP Training Course in Ireland, and following the success of the first two courses, we have scheduled another for the end

of this month.

"These courses are aimed at breaking down the Code into clear and comprehensive chunks and are essential for anyone involved in trading with supermarkets."

Farming Life

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Farmers want transparency along the food chain



Written by

Richard Halleron

Government must act now!

The Grocery Code Adjudicator Christine Tacon has said that government will not entertain the appointment of an ombudsman with the powers to investigate the pricing policies followed by supermarkets as it could constitute a form of price fixing at farm level. What absolute tosh!

Farmers have never asked for their prices to be fixed: what they want is a bit of transparency along the

food chain, thereby allowing them to know if they are being treated fairly by both retailers and food suppliers. And farmers have every right to demand action on this basic and fundamental principle.

In the first instance there is no industry on this planet that is more regulated than farming. The reality is that every supermarket in the UK knows exactly how much it costs to produce a litre of milk or a kilo of beef. This is due to the informa-

tion that is gleaned on farm performance levels by myriad government agencies on a daily basis. Moreover, all of this information is put out into the public domain.

And farmers do not have a problem with this. All they want is a reciprocal gesture to be made by the supermarkets and food processors. And if the UK government does not deliver on this matter, then the EU must step up to the plate.

Agriculture Commissioner Phil Hogan has

promised action, where food retailers and their pricing policies are concerned, since coming into office. That was almost a year and a half ago: so it's time for us to see the colour of his money.

The Prime Minister, David Cameron, has said that the EU represents a market of some 500m consumers, all of whom can – and should – be targeted by Northern Ireland's farming and food sector. But, in truth, this is a meaningless

concept, unless local farmers can be certain that they are not mere pawns in a bigger game of 'guaranteeing' large profits for Europe's retail giants.

I am fully aware that Christine Tacon has a specific job to do, one that she is carrying out with a fair degree of aplomb. But farmers still have every right to expect government to move on the issue of supermarket pricing policies. And this must be done sooner rather than later.