
**PRODUCE AND GROCERY INDUSTRY CODE
ADMINISTRATION COMMITTEE**

Media Release

Friday July 6, 2007

The voluntary Produce and Grocery Industry Code of Conduct continues to support and promote fair trading practices along the vertical produce and grocery industry supply chain.

At its most recent meeting, the Produce and Grocery Industry Code Administration Committee (PGICAC) noted that the code has been referred to as 'an example of a successful scheme aimed at addressing concerns about supplier-retailer relationships', by the United Kingdom Competition Commission.

PGICAC Chair, Mr Ian Davis, said the work of the Produce and Grocery Industry Ombudsman has also assisted building better business relationships.

'The Committee supports the Ombudsman's practice of encouraging informal resolution of disputes prior to undertaking formal mediation procedures.

'This approach has proven to be successful with only six out of 52 dispute enquiries requesting formal mediation, of which two have been withdrawn, three are in the process of arranging mediation and one has been successfully mediated.'

Mr Davis said this reflects the effectiveness of the code's mediation process in resolving disputes and emphasises its efficiency compared to legal action.

He adds the code will be reviewed this year. 'An independent review will occur to assess the achievements, effectiveness and level of awareness of the code and the Committee, as well as potential alternative approaches.'

The review will be managed by the Australian Government Department of Agriculture, Fisheries and Forestry and is anticipated to begin in August 2007.

In other actions at its most recent meeting, the Administration Committee:

- recognised the importance of distinguishing between roles and responsibilities of the PGICC and the Horticulture Code of Conduct
- finalised resolutions to amend the code and update the code on the Produce and Grocery Industry Code of Conduct (PGICC) website this month (www.produceandgrocerycode.com.au)
- established a Membership Sub-Committee to develop recommendations for implementing criteria and guidelines for the nomination of new members and examine how the Committee can continue to best represent a cross-section of the produce and grocery industry.

Code signatories include: Aldi Stores; Australian Chamber of Fruit and Vegetable Industries Limited; Australian Dairy Farmers, Australian Chicken Growers Council, Australian Egg Corporation Ltd; Australian Food and Grocery Council; Australian Retailers Association; Coles Group Limited; Murray Valley Winegrape Growers; National Association of Retail Grocers of Australia; National Farmers Federation; National Retail Association; Horticulture Australia Council; Queensland Retail Traders and Shopkeepers Association; and Woolworths Limited.

Background:

- The Produce and Grocery Industry Code Administration Committee was established in 2000 by the Australian Government to administer the Retail Grocery Industry Code of Conduct. The code covers all industry participants in the produce and grocery industry in their vertical supply relationships, from primary producers and growers to supermarket retailers and provides a mechanism for dispute resolution through the Produce and Grocery Industry Ombudsman
- In February 2005, the code was renamed the Produce and Grocery Industry Code of Conduct to better reflect the coverage of its scope within the industry
- The PGICC encourages fair trading practices along the vertical produce and grocery industry supply chain, whilst the Horticulture Code of Conduct only covers transactions between growers and wholesalers of fresh fruit and vegetables. Dispute resolution mechanisms are provided under both codes by a single provider, contactable on Freecall 1800 206 385

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For further information, contact PGICAC Chairman, Ian Davis on (03) 8608 2897 or visit www.produceandgrocerycode.com.au