



## **MEDIA RELEASE**

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### **Fresh Markets Australia Welcomes Horticulture Code of Conduct Review**

Today's announcement by Minister for Agriculture Barnaby Joyce and Minister for Small Business Bruce Billson that the Australian Government will conduct an independent review of the mandatory Horticulture Code of Conduct is a significant win for the fresh produce industry, who for years have had to operate under a code that is out of touch and significantly flawed.

FMA Chairperson Shane Schnitzler said "the purpose of the code is to improve the clarity and transparency of transactions between growers and wholesalers of fresh fruit and vegetables, however since its inception in 2007 the code has delivered increased regulatory and cost burdens that must be passed onto growers who support the Central Market system, despite ongoing requests for a review from the Market wholesaling sector."

In December 2014, FMA wrote a submission for the Agricultural Competition Green Paper asking the Government to undertake a review of the inflexible mandatory Horticulture Code of Conduct which restricts competition, to achieve a clear, predictable and reliable industry code including recommendations to reduce business compliance costs associated with the red tape.

"Today's announcement is a significant win for the Market wholesaling sector, who for years have had to operate under a mandatory code that was introduced without a proper prior assessment of whether it was justified, or its impact on the industry," said FMA Chairperson Shane Schnitzler.

For nine years the code has created an uneven playing field for both growers and wholesalers, and a bias in favour of both imported product, and growers selling direct to supermarkets."

While the announcement of the review is welcomed, alarm bells are unfortunately already ringing for FMA regarding consultation of the Market wholesaling sector and the credentials and interests of the independent review participants.

"There was a distinct lack of consultation regarding the introduction of the Code with the market's representation FMA back then, and we are seeing echoes of this behavior again today with this announcement. Not a single person from FMA was notified about this review and we had to read about the announcement in today's media. "

This is poor form for the Australian Government to notify a key stakeholder who represents businesses with a turnover of \$7 billion annually about a critical decision along with the general public," said Mr Schnitzler.

Questions are also being raised over the appointment of the independent reviewers Mr Mark Napper and Mr Alan Wein. While Mr Napper has some industry experience as a Director of Horticulture Innovation Australia Limited and AUSVEG Limited, neither Mr Napper or Mr Wein have market wholesaler experience which is cause for concern.

"It is imperative that the Market wholesale sector is adequately and fairly represented in this review," said Mr Schnitzler.



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To ensure that the Market wholesale sector is fairly represented in this review, FMA will be making a submission on behalf of the 430 market wholesaling businesses across Australia and its tens of thousands of employees. It is imperative that their concerns with this unworkable and out-of-date code are put in front of the reviewers."

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**About FMA**

The Australian Chamber of Fruit and Vegetable Industries Limited trading as Fresh Markets Australia (FMA) is the national organisation representing each of the six Market Chambers, which themselves are organisations which represent the fruit and vegetable wholesalers located in each of Australia's six central Markets (Brisbane, Sydney, Melbourne, Adelaide, Perth and Newcastle).

In total, the organisation represents in excess of 430 Market wholesaling businesses. Market wholesalers are involved in the sale of some 50-60% of the fresh produce sold across Australia in servicing the requirements of fruit and vegetable retailers, secondary wholesalers/provedores, foodservice industry businesses, processors, exporters and the public. Over 15,000 growers supply to businesses within the Central Market system. The total turnover of businesses in the Central Markets exceeds some \$7 billion annually.

FMA's past submissions can be found on <http://freshmarkets.com.au/advocacy/>