



18th October 2024

Competition Policy Unit
Treasury
Langton Cres
Parkes ACT 2600

Correspondence via email: fgc@treasury.gov.au

Dear Competition Policy Unit,

RE: Mandatory Food and Grocery Code: exposure draft regulations

On behalf of the National Farmers' Federation (NFF), I am writing to you regarding the *Mandatory Food and Grocery Code: exposure draft regulations*. The NFF welcomes the consultation on the exposure draft regulations, which implements the recommendations of the *Independent Review of the Food and Grocery Code of Conduct 2023-24* (Emerson Review).

The NFF is the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and length of the supply chain. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF and its members have long raised concerns surrounding the lack of adequate competition within agricultural supply chains. Leaving the sector especially vulnerable to the misuse of market power through lower prices, unfair risk burdens, and supply uncertainty. The Emerson Review outlined these concerns and noted that particularly suppliers of fresh produce are vulnerable, due to the products perishability, to misuse of market power. This vulnerability of suppliers of perishable agricultural goods is a view similarly held by the NFF.

The NFF welcomed the Emerson Review's 11 recommendations, with the central recommendation to make the current voluntary Food and Grocery Code of Conduct (the Code) mandatory. The NFF also welcomed recommendations to increase penalties for Code breaches and better support for growers to raise issues with the ACCC.

The Government's announcement to implement all 11 recommendations was similarly welcomed by the NFF.

The NFF notes that the currently voluntary Code is due to sunset on 1 April 2025. Given that legislative passage is required for the mandatory Code, this is a relatively



short timeframe. Consequently, expediency is encouraged on the part of Government to finalise this work.

The NFF encourages the Competition Policy Unit to work closely with NFF members in this consultation. In particular those who represent suppliers of perishable agricultural goods, including in the horticulture, dairy and chicken meat sectors, who as noted in the Emerson Review are especially vulnerable to misuse of market power.

The NFF looks forward to seeing the continued implementation of the Emerson Review's recommendations and commencement of the mandatory Code on 1 April 2025.

Please do not hesitate to contact Mr. Christopher Young, General Manager of Trade and Economics at [REDACTED] or on ([REDACTED]) to seek further information.

Yours sincerely,



Tony Mahar
Chief Executive Officer