

Public Submission to ACCC Grocery Inquiry by Steve @ Donna Mahony on March 10<sup>th</sup> 2008

We write this without prejudice as our belief is there may be many legal actions currently occurring across the country, within the Horticulture Code of Practice.

As farmers we have a desire to see the H.P.A's become a successful part of trade between the farm community and the retail sector. It is imperative for all to promote a successful relationship between the producer and the consumer, especially in the field of producing a safe quality product that returns a sustainable existence to all along the food chain.

It is currently out of balance, with general returns to the producer being lower than what is necessary to survive in the industry; whilst the supermarket chains regularly have record profits to give to shareholders. Knowing that the current enquiry is to do with other issues than farm profits, one thing that has to be considered and that is, we will not have in Australia a competitive agricultural hub if we keep going in the current direction.

We believe it thoroughly necessary to bring the retail outlets into the Horticultural Produce Agreements to maintain standards within the food industry, currently we have to meet stringent requirements to sell. It seems only fair that if we are meet these standards, then we should be able to negotiate pricing for our grown products prior to them leaving our farm gate. It would seem far fairer than sending the product down to a market, hoping it will return enough to pay the freight; after all the HPA.'s do have inbuilt for all, protections to ensure the product discussed is the product received. With the current communications set up there is sufficient reliability in photographs sent electronically to examine products prior to the product leaving.

Obviously freight is out of control to both the producer and the purchaser so this becomes a third party problem that should be able to be incorporated in the HPA.

Ownership of the product is a necessary item that has to be established, with supermarket chains constantly insisting on increased shelf life.

The guarantee period they have is an unfair advantage when it is considered that the chains themselves are responsible for looking after this product whilst it is in store. The farming community cannot travel to every store to put fresh produce back into the fridge. So often we have witnessed staff in various stores, mixing apples from various producers, this happens with all fruits and vegetables, also allowing customers to squeeze produce to check freshness, leaving produce out on tables for special. We have even seen staff of the supermarkets changing plu's. HACCEP food chain requirements and traceability are there for the protection of the community.

We all respect that the future requires increased competency by all in the fresh food industry, the complete chain. All the current inequities caused by the chains holding unfair monopolies will result in breakaway groups retailing from a back yard operations, retailing directly within a cash society. This in turn will lower standards, possibly causing vector outbreaks, disease outbreaks etc. the like this country has never seen. One only has to go to the local church to see people swapping or selling produce to one another.

*It is probably necessary to introduce legislation* to prevent the current problems from expanding. No-one wants to see anyone hurt or infirmed, because a government has not put public interest first; nor do we want to see exorbitant pricing because the supermarket chains are allowed to continue with their current practices.

The fresh produce wholesale markets have to be seen as contributing to much of the dubious pricing that we have, by ensuring that the chains or indeed any retailer have to use and abide by H.P.A's the problem should be solved. There have even been public allegations of the Mafia controlling the Melbourne Markets. Other wholesale markets around Australia have always had alleged controversies about the way in which they are run. The supermarket chains have a long history of involvement within these markets. Dealing directly using H.P.A's could ease some of the burdens.

We believe this would stabilize pricing, with greater compliance by all to Haccep and hygiene.

Kind Regards

Stephen & Donna Mahony