



Snapshot of feedback from submissions and roundtables with suppliers

Supermarkets Inquiry Interim Report



81 submissions to our issues paper



7 roundtables with farmers and wholesalers of fresh produce

What suppliers told us in their submissions and roundtable discussions:

Many suppliers raised concerns about their reliance on major supermarkets as trading partners in supplying grocery products to Australian consumers.

Suppliers, particularly fresh produce suppliers, have concerns about their trading relationships with the supermarkets, including:



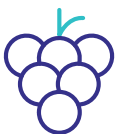
the price they receive (which they say is sometimes below costs of production), and their inability to negotiate



concerns that the **quality assessment** and rejection process is used for purposes other than genuine quality issues, including to manage volumes supermarkets receive



trading arrangements that place a disproportionate level of **risk on suppliers** vs supermarkets



a **lack of transparency** in the process for weekly tenders to supply fresh fruit and vegetables



payments that suppliers are required or pressured to make (for example, for promotions).

Suppliers consistently reported they would not raise their concerns with the supermarket due to fear it would jeopardise their commercial relationship.

Suppliers with longer-term supermarket commitments raised concerns about difficulties in seeking to pass on increases to their costs to supermarkets.

Next steps

We have not yet reached conclusions about any of the concerns raised by suppliers.

We will explore these concerns, along with other key issues, in our Final Report. We are obtaining documents and information, some under compulsion, and will hold formal hearings in October and November. Submissions on the key issues are also welcome.

We will undertake a series of case studies of the following grocery supply chains to help analyse the key issues facing suppliers and, to the extent possible, will examine prices and margins along these supply chains.



Meat products:
Beef, chicken, pork



Fresh produce:
Bananas, apples, potatoes, strawberries, cucumbers



Other animal products:
Eggs, drinking milk



Packaged food items:
Cereal, biscuits



Non-food items:
Pet food, dishwashing tablets