

Issues and recommendations

1. Codes of Conduct and regulation

Supermarket chains are under increasing scrutiny from the media, the government, and the public, yet they are not faced with the same regulations that growers and wholesalers face when it comes to food supply. Major supermarket chains operate under the voluntary Food and Grocery Code of Conduct. Many of our members view supermarkets as the powerbrokers in the current system.

Primary and secondary wholesalers, however, operate under the very strict operating requirements of the Horticultural Code of Conduct, including the requirement for complete transparency in the purchase and sale of produce.

This inequity needs to be addressed, and the playing field levelled to ensure equal regulation across all supermarkets, growers, and wholesalers.

"If it's going to be unregulated market, it should be for everyone. Less regulation will create opportunity for independents to be able to compete."

"Every notch that the bar is raised by supermarkets, it increases the cost of production, and that formula is never made apparent to the consumer or the market."

Recommendations

- The Department's continued attention to a holistic review of the Horticulture Code of Conduct including the option for self-regulation.
- If a regulatory code is required, we recommend one code that governs and regulates all operators that purchase produce from growers and wholesalers to ensure price transparency and sustainability of our primary producers and suppliers.
- Any regulations should not be onerous on a cost and resource basis or impede free trade.
- The Regulator should have sufficient resources to appropriately monitor and regulate any code they govern.

2. Labour cost reform

The fresh produce industry is in a unique position, operating 24/7 to continuously deliver fresh produce to Australians. Growers have limited control over when produce is ready for harvest. Mother Nature does not conform to public holidays or weekends, yet we are expected to remunerate our employees as any other industry would. Growers are faced with the dilemma of paying very high labour costs or not picking produce at optimal times if they happen to fall on a weekend.

The industry needs to be both sustainable and competitive, and this will require a rethink of the entire approach to labour. Treating seasonal labour as a 9-5 workforce is nonsensical and untenable and leaves our industry open to unfair accusations of exploitation.

"It's becoming unsustainable to produce product on weekends, it has a domino effect on the whole agri supply chain."

Freshmark

Inquiry into food security in Australia

Recommendations

- Review of Fair Work Act to include appropriate provisions or a Modern Award that enables primary producers, and the entire fresh produce supply chain, where appropriate, to operate Monday to Sunday and offer the same entitlements seven days per week.
- Investment into migration schemes that enable skilled and unskilled labour from across the globe to enter Australia for permanent and temporary roles. The scheme needs to be easy to use, efficient and deliver a prompt solution to labour needs.

3. Managing rising input costs

There is a general saying in the fresh market industry: 'at the end of the day, the grower pays.' Our growers are facing increasing pressure from rising input costs relating to fuel, fertiliser, and labour, and yet there is little support from government or industry to help combat these costs.

Already our members have seen a decline in demand for fresh produce in the face of rising costs – despite the sale price not rising in line with producer and wholesaler costs. There is real concern that if increases in costs continue, fresh produce will be viewed as a luxury rather than a necessity to a healthy lifestyle.

"Each time that labour gets more expensive, or regulation requirements get increased, they create increased costs for the industry, across the entire supply chain."

Recommendations

- A proportion of advertising levies collected from fresh produce industry diverted into a pool of funds available for farmers to borrow at nil or low interest rates to help them expand their business or get back on their feet after a natural disaster or operational input shortage.
- Sustained electricity and fuel subsidies for primary producers and the suppliers. Greater discounts offered if area of primary producer is impacted by natural disasters.
- Continued government investment to secure primary industries against global supply chain risks to critical operational inputs and resources such as fertilisers, gas, water and electricity.
- A closer look at the transport links, including the rail network, that support our farmers and regional communities. Investment in alternate forms of transport may reduce dependency on fossil fuels and create faster speed to market from farm gate, maximising produce freshness and quality.
- Extension of the PALM (Pacific Australia Labour Mobility) scheme to include more countries that have a high population (e.g., India, Bangladesh, China, Philippines etc.).
 - ✓ Incentives such as pre-organised accommodation, to be provided to those offering permanent work to PALM workers. PALM workers to then pay for their accommodation after a certain point in time (if they are not on a farm stay arrangement).
 - ✓ Experts to assist PALM workers manage their financial matters, inclusive of budget management, setting up bank accounts etc.
 - ✓ Investment into language and cultural diversity courses to assist workers assimilate into their work and home environment.
 - ✓ Implementing the improvements listed in the ['Expanding and improving our labour mobility fact sheet'](#).

4. Ageing workforce demographic and lack of youth to sector

The Australian farming sector is typically an older workforce, with the average age of an Australian farmer being 49 years old (ABARES). According to the National Farmers Federation (NFF), 99% of Australian farms are family owned and operated, but the challenge is keeping youth on farm, and attracting them to a career in the fresh produce supply chain. We need to ensure retainment of youth in our sector and showcase the opportunities for lifelong career growth and progression in Australia's most critical industry.

"We need a system that attracts and retains younger people in our industry. Otherwise, we run the risk of disappearing in the future."

Recommendations

- Develop whole of life investment into education programs, that promote and provide knowledge, skills, and career pathways for skilled and unskilled labour, inclusive of:
 - ✓ Scholarships,
 - ✓ Internships and work placements
 - ✓ Wage subsidies to reskill labour newly entering the workforce.
 - ✓ Mentoring programs
 - ✓ Appropriate high school and tertiary education courses and programs.

5. Educating consumers

Cost of living is a significant concern for most Australians and has been the topic of extensive discourse in the public sphere over the past six months or more. While businesses across the fresh produce supply chain acknowledge that it is a topic that demands discussion, they are concerned that the conversation very often begins with commentary about rising costs of fresh fruit and vegetables. It is critical for the future of our industry that consumers do not mistakenly believe that fresh produce is unaffordable.

At the same time as discussing the affordability of fruit and vegetables, we should be discussing broader principals including the health and nutrition value of fresh produce and the risk of food wastage right through the supply chain when the choice is based on perfect looking produce.

"Fresh produce doesn't need to look perfect to be perfect to eat."

Recommendations

- Whole of life investment into educating the Australian public on the value of fresh produce to their health and wellbeing and the seasonality of fresh food that impacts supply and pricing.
- Review of chain store fresh produce specifications so it focuses on food safety and quality and continues to relax specifications around cosmetic blemishes, size and appearance.
- Continue to support the operation and close working partnership of the Central Market System and food relief organisations like Foodbank, OzHarvest and SecondBite

6. Investment in regional communities is investment in food security.

Regional Australia and agriculture go hand in hand. Most of our food producing hubs are in regional Australia which for years have lacked the government funding and support to keep them operational. Strong, vibrant communities are critical in order to keep their organisations operating and providing fresh food.

"When you create strong regional areas that are producing and contributing to our communities, the whole nation does well."

Recommendations

- Collaboration between industry bodies and political parties at federal and state levels to produce a vision 20-30 years into the future that ensures the survival of regional communities supporting Australian farmers and their farms.
- Continued and sustained investment in infrastructure, hospitals, education, and labour programs in our regional areas. Likewise, there must be incentives to encourage population movement to regional areas to help grow and support them.



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