

Media Release

10 May 2007

HORTICULTURE CODE OF CONDUCT LAUNCHED

Horticulture Australia Council (HAC), the peak national body representing horticultural industries, today warmly welcomed Minister Peter McGauran's formal launch of the mandatory Horticulture Code of Conduct.

Mr McGauran said the Code would come into effect next Monday 14 May 2007. The Code had been introduced following significant concerns about the lack of clarity and transparency in many transactions. "The Code addresses these issues by improving transparency and clarity in the sector without imposing onerous requirements on growers and traders. It also provides an effective dispute resolution system.", Mr McGauran said.

"The Government is making sure dispute resolution is affordable by subsidising the Code's mediation costs. Either party to a dispute can refer the matter to the Horticulture Mediation Adviser, and ask that a mediator be appointed to resolve it. While a \$50 fee is to be paid on lodging such a request, the Government will pay the mediator's fees. We have also established Horticulture Produce Assessors to provide independent assessments on the quality and value of produce, which will resolve many issues and concerns without the need for mediation or expensive legal action.", he said.

Every Horticulture Produce Agreement will stipulate whether the trader will act as an Agent or a Merchant. It also sets out in writing how produce will be traded, payment, product specifications, and reporting timeframes. Traders will also be required to publish their terms of trade - this will give growers the opportunity to 'shop around' to find the trader who offers them the best trading terms.

HAC Chair, Stuart Swaddling, said today: "The introduction of this Code is one of the most significant advances for growers since trading in the wholesale markets began. For the first time, many growers will now be in a position where they can negotiate critical elements of their relationship with their trader. This is uncharted territory for some, and there will inevitably be some uncertainty and confusion in the first few weeks. However, while the ACCC has indicated that it will be understanding with those who have clearly acted in good faith to try to reach Code-compliant agreements with their trading partners, it has also signaled that it will deal firmly with those avoiding or flouting the law.

"We believe the template Terms of Trade and Horticulture Produce Agreements we have developed in conjunction with the NFF (and the planned User's Guide) will be of real value to growers. The templates have been designed to be downloaded from the website (http://www.hac.org.au/code_of_conduct/) and adapted to each grower's or trader's circumstances. We urge growers to use the example contract as the starting point in their negotiations with traders, and to be proactive in contacting their traders with draft agreements before next Monday.

"The Code has been a long time coming, and taken the combined energies of many dedicated folk working in the best interests of growers. I can't name here everyone who has had a major input to this outcome, but we must sincerely thank Minister McGauran, who has been such a committed champion of clarity and fairness, Mark Panitz who has worked tirelessly for many years on this issue, and our NFF partners (particularly Charles Burke and Charlie McElhone)."

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