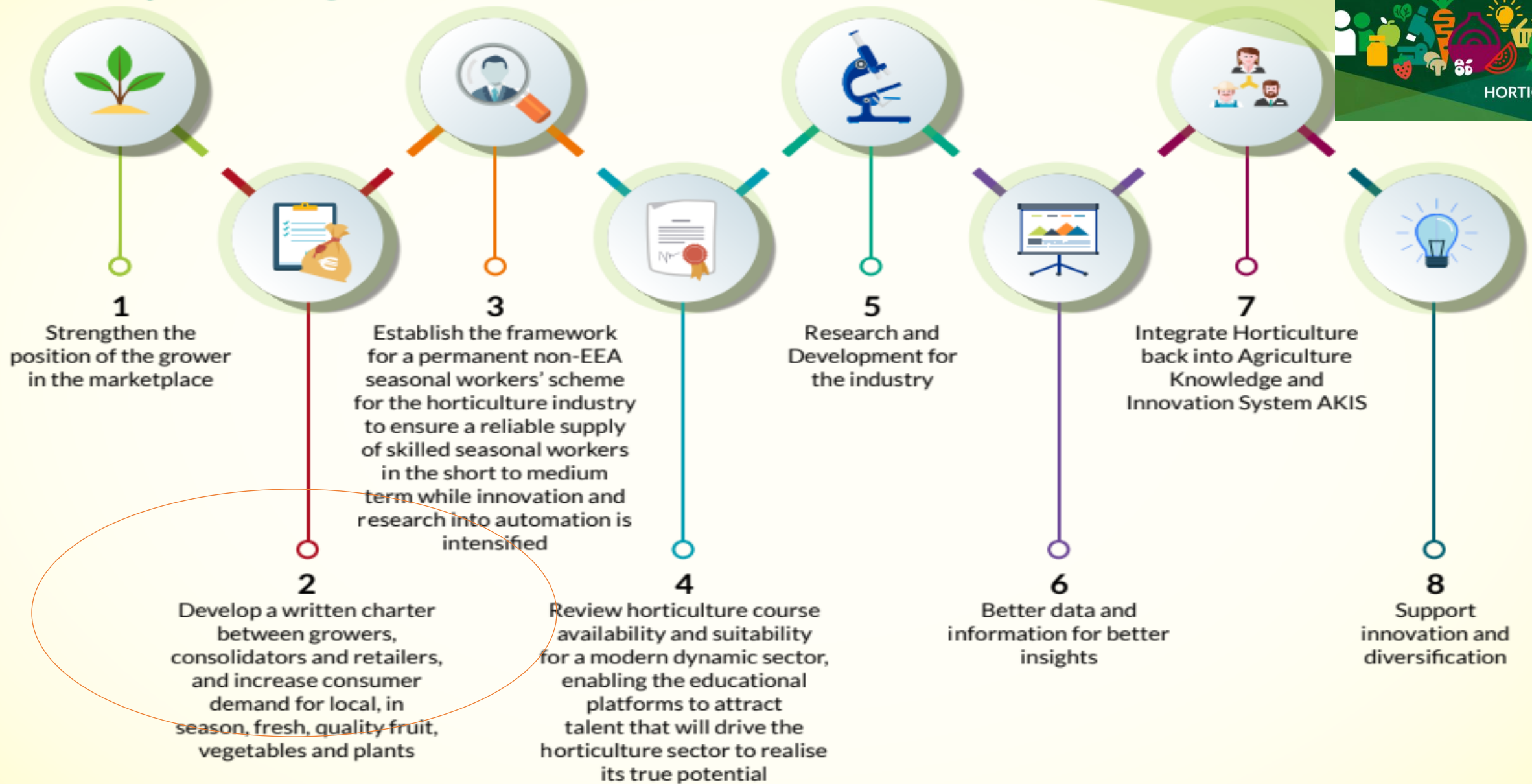




National Strategy for  
**HORTICULTURE**  
**2023-2027**

# 8 Key Strategic Actions





# **National Strategy for Horticulture Retail Charter**

**Key Strategic Action No.2 of the  
National Strategy For Horticulture  
2023-2027**

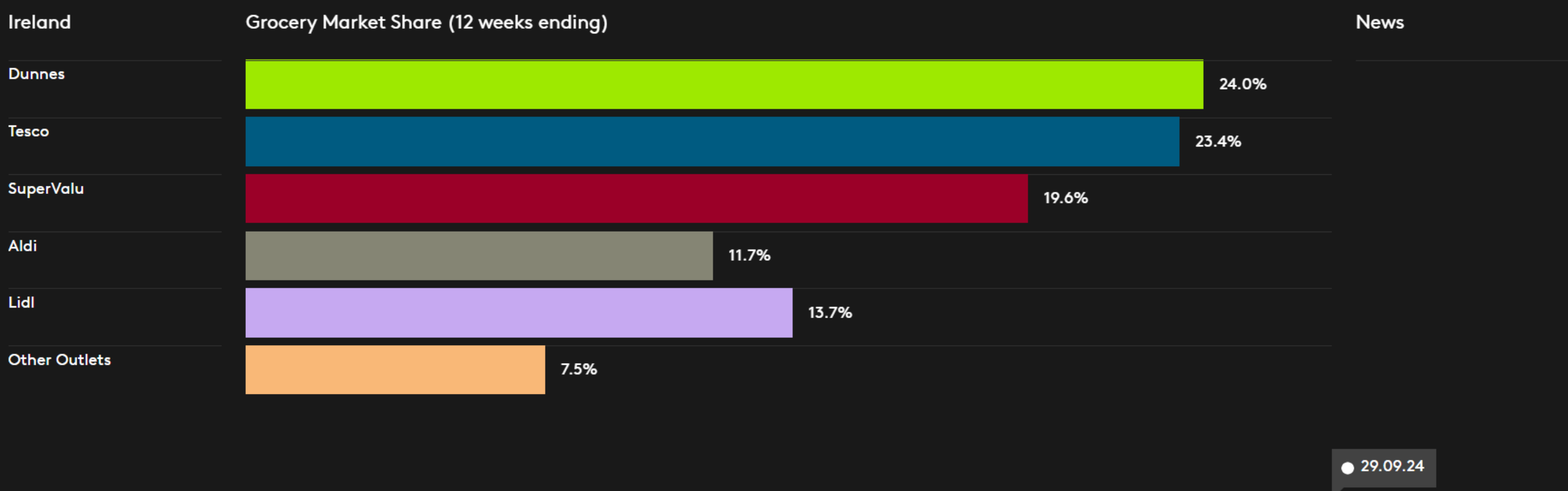
# Need for a Written Charter?



## Retailer-Grower relationship - change

- EU Unfair Trading Practices (UTP's) regulation SI 198/2021 -designed to strengthen the position of primary producers and provide legal protection against specific UTP's from larger more dominant buyers in the food chain.
- UTP's Regs- positive impact on the over food supply chain – some limitations to this EU wide regulation.
- This charter will cover areas beyond the scope of UTP's and place greater responsibility on the dominant players, the retailers and their supply partners in the food chain to ensure that Irish horticulture growers can survive - but ultimately prosper and have opportunity to grow output value as per the ***National Horticulture Strategy 2023-2027***

# 5 Retailers dominate the Irish Grocery market



- Kanter Worldpanel data 29<sup>th</sup> September 2024



# The Charter Aims

- Long term, mutually beneficial trading relationships between the retail sector and growers.
- While the charter is aimed at retailers to sign up to, there is responsibility on all growers within the charter key points.
- This Charter will request that all Retailers and growers commit to accepting and implementing the following key steps:
  1. Fair and consistent engagement between retailers and growers
  2. Fairly and unambiguously promote Irish produce and growers
  3. Changes to the tendering process for fruit and vegetables to favour long term relationships
  4. A fair pricing structure for fruit and vegetables that is based on the sustainable cost of growing in Ireland
  5. Focus on reduction of food waste and loss



# 1. Engagement

UTP's



- **Respectful and fair engagement in spirit and in practice in line with protection against Unfair Trading practices**
- While engagement is for the most part in line with this request, it should be repeated and of paramount importance in all interactions.
- Prohibited UTP's
  1. Paying later than 30 days for perishable agricultural and food products.
  2. Paying later than 60 days for other agricultural and food products.
  3. Short-notice cancellations of perishable agricultural and food products.
  4. Unilateral contract changes by the buyer.
  5. Payment not related to a specific transaction.
  6. Risk of loss and deterioration transferred to the supplier.
  7. Refusal of written confirmation of a supply agreement by the buyer, despite request of the supplier.
  8. Misuse of trade secrets by the buyer.
  9. Commercial retaliation by the buyer.
  10. Transferring the costs of examining customer complaints to the supplier

# 1. Engagement

UTP's



Suppliers are afforded protection against six unfair trading practices unless there is agreement between them and their buyer in advance.

- 1. Buyer returning unsold products to the supplier without paying for those unsold products or for disposal of those products or both.
- 2. Payment by the supplier for stocking, display or listing of products or of making such products available on the market.
- 3. Requiring the supplier to bear all or part of the cost of any discounts on products sold by the buyer as part of a promotion.
- 4. Payment by the supplier for advertising.
- 5. Payment by the supplier for marketing.
- 6. Payment by the supplier for staff for fitting-out premises used for the sale of the supplier's products

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## 2. Promote Irish produce and growers

Fairly and unambiguously promote Irish produce and growers

- Refrain from use of imported substitutes
- Stock genuine Irish family branded product
- No misleading labels and brand names
- Only use approved logos (e.g. Bord Bia QA) to indicate the Irish origin of produce.
- Correct the price compression in the horticulture category
- In season promotions arranged in consultation and agreement with growers
- Promotions programmes should be part of the annual review of all supply arrangements.



### 3. Long-term relationships between growers and retailers



- Replace annual tenders with 3-5 year supply arrangements with suppliers.
- Annual price reviews
- Ongoing engagement throughout supply agreements on terms/price in exceptional circumstances (weather/inputs)
- Promotion terms, if required, will be agreed with growers in advance
- Agreements and supply programmes in place in adequate time
- Accept the Bord Bia Quality Assurance standard for all produce destined for sale in ROI stores.

# 4. Price

## Fair prices based on costs and risk incurred



- Retailers should recognise and take account of the full production costs for each sector/line in ROI
- All costs include - variable and fixed inputs and long-term investments required to maintain a sustainable production model
- Cost of imports should not be used in negotiating down ROI growers' price
- The Teagasc annual input price report
- CSO Agriculture input data
- Growers must know their own costs
- Where Grower can demonstrate and justify their costs of production that this is accounted for in the price negotiations

# 4. Price

Fair prices based on costs and risk incurred



- Seasonal pricing will be part of the engagement process with suppliers, offering greater financial reward when costs and risk for the grower are highest at the shoulders of the relevant growing season.

- Dynamic pricing and specification changes will operate where needed

*Examples of such weather events include above average rainfall periods which have negative impact on both yield and quality and similarly drought, flood events, extreme temperature periods and weather which results in delayed/sub optimal planting or harvest*

# 5. Food Loss and Waste



- Aligning with corporate, social responsibility and sustainability objectives, retailers commit to mitigate food loss and waste from the fresh produce
- Food deemed unsuitable for sale, but fully safe for human consumption will be directed to agencies/charities such as Food Cloud