

## **More work needed to reach alignment on Grocery Industry Code of Conduct**

**TORONTO, July 21, 2022:** The group representing Canadian retailers, food, health & consumer goods manufacturing companies and agricultural producers currently working on developing a grocery industry Code of Conduct report that while continued progress is being made, key issues remain unresolved and will require more discussion before alignment is reached.

The report, provided to the FPT (Federal, Provincial, Territorial) Ministers of Agriculture on July 21, provides an update to ongoing talks between industry and retailers aimed at developing an Industry Code of Conduct to improve transparency, predictability and fairness between Canada's retail and supplier community.

The complex negotiations moved from high level to detailed talks at the beginning of April, focussing primarily on the specific needs of a broad mix of industry and retail partners. Despite finding common ground on many of key issues, the group continues to negotiate specifics tied to scope, what sorts of products and dealings should be covered by a code and payments, deductions, fines and fees. Both groups earlier agreed that the code should be mandatory and enforceable, once developed.

The complexity of developing a grocery industry Code of Conduct cannot be overstated. It involves many constituents, representing a broad mix of industry and retail partners; each with diverse needs and concerns and this process takes time.

Our first goal continues to be the development of a mandatory and enforceable Code of Conduct with all participants engaged and unanimous in their support. We are hopeful that continued discussion regarding scope, payments, fees, fines, and deductions will bear positive results.

The report also reinforces the critical importance of FPT minister leadership and support in convening the Code development process. In doing so, it acknowledges that future government intervention may be requested in the event that alignment is not achieved. That could include implementing a deadline for Code development discussions.

Upon resolution of the outstanding issues, the Steering Committee anticipates an additional phase that involves introducing the draft Code of Conduct to a broader audience through a consultation process to inform and discuss key components. It is crucial to seek input from many stakeholders and ensure a representative process of different interests has a voice in the Code development.

The Steering Committee remains strongly committed to taking all necessary steps to ensure a Grocery Industry Code of Conduct that supports fairness in the commercial dealings between suppliers, Independent retailers and large Canadian retailers, to ensure that we support the long-term sustainability and growth of this country's agricultural community, Canadian food, health and consumer goods manufacturing sectors and Canadian retailers of all sizes.

### **Steering Committee Members.**

Michael Graydon/ Food Health & Consumer Products – Co-Chair

Diane Brisebois/ Retail Council of Canada – Co-Chair

Denise Allen /Food Producers of Canada

Kathleen Sullivan / Food & Beverage Canada

Mathieu Frigon / Dairy Producers Association of Canada

Scott Ross / Canadian Federation of Agriculture

Gary Sands / Canadian Federation of Independent Grocers

Ron Lemaire / Canadian Produce Marketing Association

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