



THE COMMERCIAL
ACADEMY

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The Australian Food and Grocery Code of Conduct

PART 3

Other Conduct-
Delisting Products

DELISTING PRODUCTS - FAIR AND TRANSPARENT PROCESS

Delisting a supplier's grocery product must align with the terms of the grocery supply agreement and be for genuine commercial reasons.

Genuine commercial reasons include failure to meet quality, quantity requirements, sales or profitability targets, and persistent delivery failures.

Delisting as a punishment for a complaint or concern raised by the supplier is not considered a genuine commercial reason.

DELISTING PROCEDURE AND SUPPLIER RIGHTS

- Prior to delisting a product, retailers or wholesalers must provide reasonable written notice to the supplier, including the genuine commercial reasons for the delisting.
- Suppliers have the right to have the decision reviewed by the retailer's or wholesaler's senior buyer and can direct complaints to the Code Arbiter for the retailer or wholesaler.
- Time-sensitive situations (e.g., product recalls, safety issues) or persistent supply issues may exempt the requirement for prior notice.

SENIOR BUYER REVIEW AND DECISION BASIS

- Upon request, the retailer's or wholesaler's senior buyer must promptly provide the supplier with a statement of genuine commercial reasons or additional information related to the delisting.
- The senior buyer must conduct a timely review of any delisting decisions and communicate the outcome, including the basis for the decision, to the supplier.
- A decision not to extend or renew a grocery supply agreement following the expiry of a fixed-term agreement is not considered a delisting decision.

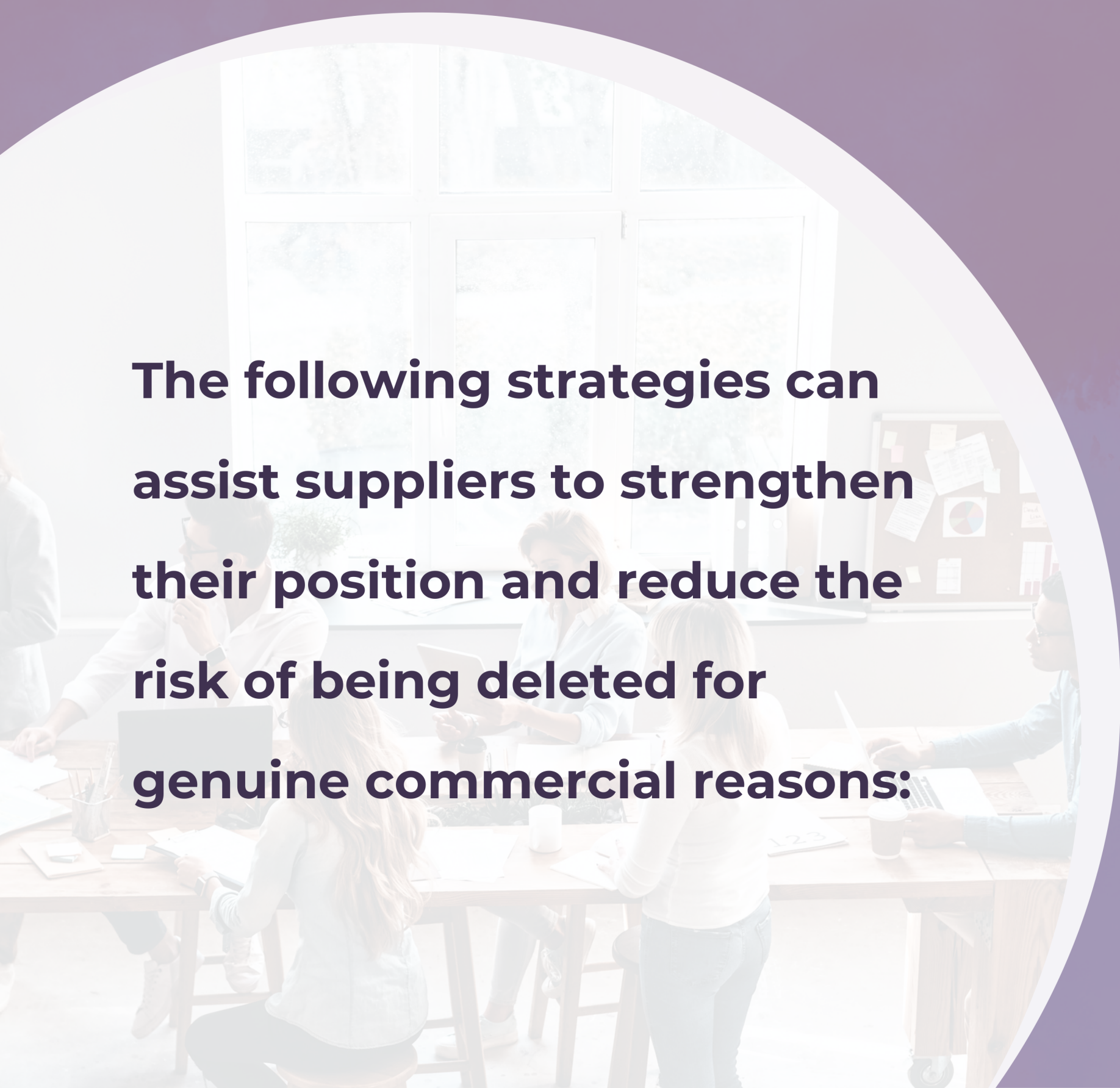
DISPUTE RESOLUTION AND ONUS OF PROOF

In any dispute concerning delisting, the retailer or wholesaler has the responsibility to prove that the delisting was in accordance with genuine commercial reasons.

The process ensures fair treatment of suppliers, transparency, and adherence to the grocery supply agreement.

BEST PROTECTION FROM DELISTING OF A PRODUCT

The following strategies can assist suppliers to strengthen their position and reduce the risk of being deleted for genuine commercial reasons:



- Compliance with Grocery Supply Agreement: Ensure strict adherence to the terms of the grocery supply agreement. By meeting quality, quantity, and delivery requirements, suppliers reduce the risk of being delisted for commercial reasons.
- Maintain Open Communication: Establish and maintain open communication channels with the retailer's or wholesaler's buyers and senior buyers. This facilitates understanding and prompt resolution of any issues that may arise.

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- **Proactive Monitoring:** Continuously monitor sales performance and customer feedback to identify and address any potential concerns proactively. Timely resolution of issues can prevent negative impacts on the supplier-retailer relationship.
 - **Document Everything:** Keep thorough records of all communications, agreements, and transactions with the retailer or wholesaler. These records can serve as evidence in case of disputes or reviews.

- **Seek Feedback and Improve:** Regularly seek feedback from the retailer or wholesaler regarding the performance of products. This feedback can be used to improve products and address any concerns promptly.
- **Timely Responses to Delisting Notices:** If a delisting notice is received, promptly respond to understand the reasons behind it. Engage in constructive dialogue and seek resolution with the retailer's or wholesaler's senior buyer.



- Exercise Rights under the Code: If facing delisting, suppliers can exercise their rights to request a statement of genuine commercial reasons and initiate a review of the decision with the retailer's or wholesaler's senior buyer.
- Engage the Code Arbiter: If resolution efforts with the retailer or wholesaler fail, suppliers can involve the Code Arbiter, an independent body, to mediate and review the delisting decision.

- **Maintain Product Quality and Performance:** Continuously focus on maintaining high product quality, meeting agreed-upon standards, and ensuring product performance aligns with the retailer's or wholesaler's expectations.
- **Diversify Customer Base:** While it may not be directly related to the delisting process, diversifying the customer base can provide more stability for the supplier's business and mitigate the impact of delisting from one retailer or wholesaler.

CONCLUSION

Compliance with the Australian Food and Grocery Code of Conduct is critical for suppliers and retailers in the food and grocery industry to ensure fair and transparent trading relationships.

For more information on the Code and its requirements, visit the Australian Government's official website:

<https://www.legislation.gov.au/Details/F2021C00201>





DISCLAIMER

Based on content from the Federal Register
of Legislation at 5th March 2021. For the
latest information on Australian Government
law please go to:

<https://www.legislation.gov.au>

WHEN THIS CODE APPLIES

Want to know more about the Australian Food & Grocery Code of Conduct?

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1. **Preliminary and Good Faith**
2. **Grocery Supply Agreements**
3. **Paying Suppliers**
4. **Requiring Payments from Suppliers**
5. **Delisting Products**
6. **Other Conduct**
7. **Price Increases**
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