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Growers need protection from Bunnings and other ‘big box’ plant retailers

Today, Greenlife Industry Australia (GIA) is appearing at the Senate Supermarket Pricing Inquiry to call on the Federal Government to protect greenlife growers from unfair trading practices by including them in the Food & Grocery Code of Conduct and to make the Code mandatory.

Like farmers supplying supermarkets, greenlife growers are disadvantaged by big box plant retailers’ price setting and associated trading practices.

Growers report unfair treatment including:

- receiving no binding commitment from big box retailers to purchase the plants they order – meaning sometimes half of growers’ (highly perishable) total annual stock is unusable
- being pressured to use big box mandated freight, even though it is much more expensive than the growers’ own
- experiencing constant downwards pressure on prices with some growers expected to sell at a loss to demonstrate that they are ‘team players’.

Because there are no meaningful competitors or export markets:

- most professional plant growers must supply Bunnings to remain sustainable
- Bunnings can dictate terms of trade, set prices and control the supply of plants
- growers can’t challenge these arrangements because they fear losing their businesses.

As well as including big box retailers in the Food & Grocery Code of Conduct, GIA is urging the government to strengthen the Code to make it mandatory, set meaningful penalties for breaches and include independent dispute resolution to protect growers from retribution.

Bunnings sells more greenlife products than any other retailer, maintaining a national market share of 70%, which outstrips the market power of the two major supermarkets, Coles and Woolworths, combined. Yet the Food & Grocery Code of Conduct that regulates supermarkets does not cover Bunnings and other big box retailers, even though the Code includes plants in its definition of groceries.

‘Roy Morgan recently named Bunnings Australia’s most trusted brand. The same research says the number one reason Australians distrust companies is corporate greed. I wonder if consumers would rate Bunnings so highly if they knew how Bunnings treats the growers supplying them,’ said GIA CEO, Joanna Cave.

'By volume of units sold in Bunnings stores, plants are second only to tins of paint. Big box stores are an essential part of the greenlife market, and we have a keen and vested interest in these retailers prospering – but not at the expense of greenlife growers.

'Consumers deserve a wide range of quality, affordable plants. However, it is also in the public interest to ensure that monopolies like Bunnings do not abuse their power,' said Ms Cave.

The importance of plant life and gardening for people's wellbeing and overall health is well-documented. Particularly post-COVID, more people are establishing indoor and balcony gardens, and growing their own vegetables, fruit and herbs. Many people treat these plants as groceries.

'Growers are simply asking for a fair go, so they can make a living from growing plants. The Code of Conduct provides the framework for a fair and equitable trading environment. If Bunnings is committed to doing the right thing, it has nothing to fear from signing up to the Code,' said Ms Cave.

– ENDS –

More information

Read the:

- submission to the Select Committee on Supermarket Prices at www.greenlifeindustry.com.au/submission-supermarket-pricing-inquiry
- submission to the Review of the Food and Grocery Code of Conduct at www.greenlifeindustry.com.au/food-and-grocery-code-submission

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About GIA

GIA is the national peak body representing commercial growers of plants (known as nursery products) across all states and territories of Australia. The nursery products industry is a significant component of the Australian horticultural sector, employing over 25,000 people and generating a farm gate value of \$2.8 billion annually.