



Farming groups give big welcome to new protection on prices

Farmers and food processors will have more power when it comes to dealing with supermarkets under new legislation laid out in the Queen's speech yesterday.

The Groceries Code Adjudicator Bill contains a new watchdog which will be set up to ensure that supermarkets deal fairly and lawfully with suppliers.

It follows fears that supermarkets have been using their dominant buying power to pressurise farmers and processors into slashing prices and making other unfair demands. The main farming group in Northern Ireland hailed the news as a breakthrough for the industry.

"We have been campaigning for a supermarket adjudicator for many years to help redress the power imbalance between retailers and producers," UFU President Harry Sinclair (below) said.

"Small producers have felt that supermarkets have dominated the food supply chain; therefore ensuring fair play is critical to securing the future of local food production choice for consumers." He said the legislation should protect farmers and eventually boost the choice for consumers.

"This Groceries Bill is about creating a better functioning supply chain which rewards all players more fairly, encourages innovation, and ultimately benefits consumers.

"If supermarkets are operating fairly then they will have nothing to fear. What is important now is that a supermarket adjudicator is established and becomes operational as quickly as possible."

The group representing supermarkets said the additional regulation would merely hold the industry back and could cost more than expected.

"The proposed adjudicator is in danger of adding to the cost and bureaucracy of running a grocery business without adding to the strong protection which already exists for suppliers," British Retail Consortium food director, Andrew Opie, said.

"The Government's initial estimate put running costs at just £800,000 a year, a figure the BIS select committee said was unrealistic. The truth is no-one knows what the cost might be. Retailers are being asked to write a blank cheque.

"The Government's priority as it pushes ahead with this Bill should be to keep it as simple and fair as possible, in the interests of customers and all companies involved.

"The adjudicator should only be able to pursue specific complaints from suppliers which have direct relationships with the retailers, and which are related to the Groceries Code.

"Allowing third party complaints would open retailers up to malicious campaigns and fishing expeditions from those without full knowledge of the agreements involved, at a great cost to all parts of the grocery supply chain."

From pensioners to farmers: how we'll be affected

What the Queen's Speech will mean for Northern Ireland

Banks

The Queen's Speech set out new measures to help prevent further bank bailouts

It will force banks to ring-fence their retail arms from riskier investment banking divisions and a new rule, known as the depositor preference, will ensure ordinary savings and deposit accounts are repaid first when a bank goes under.

Other proposals include making it easier for customers to move an account from one bank to another by late next year.

The plans will also require banks to increase capital reserves to make them more resilient to financial crises.

The measures could cost the industry £3.5bn to £8bn annually and potentially reduce GDP by between £800m and £1.8bn.

More details will be revealed on June 14 when Chancellor George Osborne delivers his Mansion House speech.

Enterprise

The Enterprise and Regulatory Reform Bill aims to overhaul employment tribunals, remove "unnecessary" business legislation and limit inspection of firms.

The Bill also confirms the Government's intention to set up an investment bank to speed up private sector investment in the green economy, giving funding boosts to low-carbon projects like windfarms.

Competition law will be reformed with the aim of promoting enterprise and fair markets.

The government paper said that the Enterprise and Regulatory Reform Bill would "create the right conditions for economic recovery" and "reduce regulatory burdens and improve business and consumer confidence".

Supermarkets

The new Groceries Code Adjudicator Bill means that an independent adjudicator would protect suppliers by ensuring that large retailers treat them "fairly and lawfully".

It prevents large retailers - those with a UK groceries turnover of more than £1bn - from varying their supply agreements retrospectively and compels them to pay their suppliers within a reasonable time.

The Bill says the adjudicator will cost only £800,000 a year to run, to be paid for by the ten biggest food retailers.

Northern Ireland farmers have long complained against being squeezed on margins by the larger supermarkets.

Pensions

Under the Pensions Bill, the basic state pension, which is worth up to £107.45 a week, and state second pension are to be replaced by a single scheme worth about £140 a week.

There will also be a rise in the state pension age to 67 between 2026 and 2028. This won't immediately impact pensioners here but Stormont is expected to follow Westminster's lead.

The government paper said it was "committing to ensuring that the state pension age is increased in future to take into account increases in longevity".

There will also be changes to public sector pensions.

The government paper said: "It would establish a common framework across public service pension schemes. The changes would also ensure provision is sustainable."

Read more: <http://www.belfasttelegraph.co.uk/business/business-news/supermarket-watchdog-to-halt-supplier-bullying-16156627.html#ixzz1uTeBpk67>