



National
Farmers
Federation

Horticulture
Council

2 April 2026

Open Letter to Australia's Major Supermarkets

To Directors, Chief Executive Officers and senior management,

Australia's horticulture industry values the central role supermarkets play in delivering fresh, affordable food to Australian families. Supermarkets are indispensable partners in the nation's fresh produce supply chain, and the relationship between growers, suppliers and retailers is fundamental to national food security.

It is in this spirit of partnership and shared responsibility that the NFF Horticulture Council writes to urge major supermarkets to respond promptly and reasonably to price increase requests currently being advanced by fresh produce suppliers as a result of sharply rising fuel costs.

Fuel prices and freight-related levies have increased materially in recent weeks, and in many cases are changing day by day. For a sector as fuel and transport-intensive as horticulture, these costs cannot be absorbed indefinitely without serious consequences. Suppliers are being forced into continual renegotiation of freight and logistics arrangements simply to maintain supply. Timely acceptance and implementation of cost-reflective price adjustments is therefore essential to avoid disruption across the supply chain.

Beyond the immediate pressures, supermarkets play a critical role in sending signals to growers and suppliers about the future. Clear, fair and timely responses to legitimate cost pressures provide the confidence required for growers to continue investing in plantings, labour, infrastructure and risk management. Without that confidence, investment will stall. The consequences of underinvestment may not be felt immediately, but they will inevitably manifest in reduced domestic production, future shortages, and more pronounced price volatility for consumers.

Constructive engagement in these negotiations, and the conduct of all trading practices in good faith, is therefore squarely in the public interest.

Against this backdrop, the Council notes the recent public correspondence from the Assistant Minister for Competition, Charities and Treasury, Dr Andrew Leigh MP, to Ms Gine Cass-Gottlieb, the Chair of the Australian Competition and Consumer Commission concerning allegations that supermarkets have been exerting significant pressure on suppliers to sign new grocery supply agreements before the end of March, including agreements containing terms detrimental to supplier interests. Where such agreements have not yet been concluded, we urge

supermarkets to act reasonably, to avoid unnecessary pressure, and to ensure that suppliers are given genuine opportunity to assess and negotiate terms.

We are also concerned by reports from suppliers that, during negotiations, supermarkets are increasingly citing prices of fresh products that are below the demonstrable cost of supply, and which relate to product materially different from that being proposed for purchase. Differences commonly cited include quality and specification, packaging requirements, retailer rebates, and place of delivery, including price comparisons with product traded through wholesale central markets. Reliance on such non-comparable reference points undermines the integrity of negotiations and places undue pressure on suppliers.

Further, the Council notes ongoing concern within the industry that, in response to scrutiny arising from recent reviews and inquiries, some supermarkets may be providing volume forecasts that lack sufficient transparency, reliability or granularity. Good faith dealing requires that volume forecasts be as accurate and meaningful as possible. Where forecasts induce suppliers to make significant and often irreversible investments, supermarkets, acting in good faith, should exhaust forecast volumes with those existing suppliers before seeking additional product, including from the floor of central wholesale markets.

The Council also wishes to flag reported instances of supermarkets requesting commercially sensitive business information from suppliers, including details of planting sizes and production plans, and seeking commitments from growers who supply through central wholesale markets that they restrict their trade to a single trader. Such requests raise serious concerns for competitive neutrality and supplier autonomy.

Australia's supermarket sector is critical to the success of the fresh produce industry, and the fresh produce industry is critical to the food security of the nation. Maintaining trust, transparency and good faith across the supply chain is essential if that system is to remain resilient in the face of rising costs and increasing risk.

The Council urges major supermarkets to engage constructively with suppliers at this challenging time, to respond promptly and reasonably to justified price increase requests, and to reinforce the confidence growers need to continue producing the fresh food Australians rely on every day.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J. Burnett', with a stylized flourish at the end.

JOLYON BURNETT

Chair

National Farmers' Federation Horticulture Council