

Mandatory Food and Grocery Code of Conduct comes into effect in Australia

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The Food and Grocery Code of Conduct is now mandatory for Australia's largest supermarkets and grocery wholesalers. This code outlines the rules governing how these businesses negotiate and contract with their suppliers. It requires them to have written supply agreements, act lawfully and in good faith towards their suppliers, and ensure that suppliers do not face retribution for exercising their rights under the code. Supermarkets and wholesalers now face significant penalties for violating the updated code.

These changes came into effect on April 1, 2025, and make the code applicable to all retailers and wholesalers that generated over \$5 billion from their supermarket or grocery wholesaling operations in the previous financial year. Suppliers to these retailers and wholesalers will be automatically protected by the code.

Additionally, the Australian Competition and Consumer Commission (ACCC) will now be able to issue infringement notices and take court action to seek penalties against businesses that violate the code. For serious violations, the maximum penalty per instance will be either \$10 million, three times the value of the benefit derived from the violation, or, if this value cannot be determined, 10 per cent of the company's turnover for the preceding 12 months.