Edition 19: News from the Adjudicator

I am delighted to be able to report back to you all so soon after my sixth annual conference which was a day of high points. I welcomed two additional designated retailers — Ocado and B&M — to their first conference, YouGov reported on the largest ever response to my survey and the conference audience was larger than at any of the previous five. My <u>Annual Report and Accounts</u> and the <u>conference presentations</u> are now available. Please take the time to read them. <u>I am also hosting a short webinar</u> for those that could not attend.

2018 survey results

Starting with a short recap of the survey results, a record 1,417 direct suppliers completed the survey out of a total of 1,556 responses. I am extremely grateful for such a high number of responses as it provides me with valuable information and allows me and the retailers to focus our attention on some very specific issues. Overall, the survey showed continuing improvement in retailer behaviour. For the second year running only four out of 10 suppliers reported having experienced an issue at any point during the year — a significant result in a year when two new retailers were added to those I regulate. This is very much down to the positive work and engagement by retailers and their Code Compliance Officers — my thanks to them.

Last year's top concern for suppliers — delay in payments — fell from 19% to 13% of suppliers having experienced a delay at any point in the year, in a period when the retailers' response to the issue was under formal GCA monitoring. Forecasting is now the issue most reported by suppliers — and that, too, has continued to decline. In addition, Co-operative Group Limited topped the table as the biggest improver after significant GCA scrutiny during a year-long investigation in which I found that the retailer had breached the Code. Co-op should be really pleased that the steps it has been taking to improve things are already being noticed by suppliers.

Driving effective compliance risk management

The theme of the conference was Driving Effective Compliance Risk Management, reflecting my priority for my final year as GCA. I will be working with each of the 12 regulated retailers to ensure all their practices, systems and behaviours are designed and structured to meet their obligations under the Groceries Supply Code of Practice.

I want them to build for themselves a whole-organisation approach to Code compliance. This puts their compliance management thinking into their overall governance structures, their legal and audit functions as well as their internal systems and processes, into their training and their communication with suppliers. This is the best way to make sure that breaches of the Code don't happen and if they do, that they are quickly picked up and put right. It means retailers doing the right thing not only because that is what is

required of them, but because it makes good business sense.

Forensic audits

When I took on the role of GCA, the biggest issue was forensic auditing with 45% of suppliers reporting concern in my 2014 survey. I tackled it by agreeing a voluntary commitment with eight out of the 10 retailers to limit forensic audits on a reciprocal basis to the current year plus two. This year only 7% of suppliers reported forensic audits as an issue of concern. I am delighted that Ocado and Waitrose have both now agreed to make this voluntary commitment, too.

Christine Tacon

Statutory Review of the GCA

On 20 June the Government launched the statutory review of the GCA covering the period from 1 April 2016 to 31 March 2019. The GCA encourages suppliers and other interested parties to respond to the review that will consider how the GCA has used its powers and how effective it has been. The review is open until 12 September 2019 and you can respond online.

At last year's conference Christine Tacon announced that she would be formally monitoring the progress the original 10 retailers were making on delay in payments, forecasting and promotions.

She asked the retailers to provide her with detailed information in March, including the number and value of invoices in dispute, how retailers identified the root causes of issues, and the average length of time it took to resolve queries about invoices. Retailers also had to describe how they were following the GCA best practice statement on forecasting and promotions.

The retailers reported having learned a lot from this exercise and most have decided to change one or more of their existing processes or to monitor new information to ensure compliance. They all agreed there is more they could do and the GCA has discussed with each of them specific areas in which they may fall short. Two retailers' practices will continue to be monitored by the GCA under business as usual. Christine Tacon has stressed that retailers must sort out any disputes over payments quickly and tackle the root causes of any payment issues.

In the area of forecasting the Adjudicator reports that all retailers are working on improving communications with suppliers and improving systems to achieve better forecasts.

She is also working with the additional designated retailers — Ocado and B&M — on all the Top Issues, prioritising delay in payments and forecasting.

Meet the CCO

Jo West, CCO for Ocado Group Limited, has answered News from the Adjudicator's questions about her role at the retailer. She is keen that all the retailer's suppliers and employees know who to contact to get the help they need on Code matters.

Contact Jo at GSCOP@ocado.com

Read about how Ocado has embraced the Code and is making changes and what she hopes to achieve over the next 12 months.

Save the Date

- 3 July 2019 GCA Webinar Join Christine Tacon as she provides an update on her work and answers suppliers' questions about the Code. The webinar will take place between 11am and 11:30am, with time for questions afterwards. Register your interest.
- 17 July 2019 Fruit Focus
 Christine will be speaking at this major event for the fruit industry
 held at the East Malling Research Centre in Kent. Her speaking slot is
 at 1pm and she will be talking on supplier rights and understanding the
 Code. See www.fruitfocus.co.uk for more information.
- 30 July 2019 International Cheese & Dairy Awards
 Christine will be judging an award and speaking to suppliers during the trade day of this Nantwich event for the dairy industry. She will tour the Cheese marquee and is available to meet suppliers. More details at International Cheese & Dairy Awards.

Inviting the GCA to supplier events

Christine Tacon is keen to attend as many supplier events as her diary allows. If you would like to invite her to explain her work and priorities and speak to suppliers please email enquiries@groceriescode.gov.uk.

Research and Innovation: call in New Anglia (OC24R19P 1018)

Call to run a project providing research and innovation support in New Anglia

Research and Innovation: call in Thames Valley Berkshire (OC35R19P 1017)

Call to run a project providing research and innovation support in Thames Valley Berkshire

Youth Mobility Scheme 2019 for Japanese Nationals — 2nd ballot

There are 1000 places in total available Japanese nationals in 2019. This has been split into two ballots, one in January and one in July, A total of 800 applicants were selected for the first ballot in January 2019. The second ballot in July 2019 will be opened for the remainder of places. If your application is successful you will be able to live, work and study in the UK for up to 2 years.

If you would like to apply for the scheme you should send one email (only) to: japanYMS2019.ballotrequest@fco.gov.uk between Wednesday 10 July 2019, 12:00 pm (Japan time). The email header or subject line must contain your name, date of birth (DD/MM/YYYY) and passport number as shown in your passport. This must be written in English only. For example: ASATO Yoko — 31/01/1985 — Passport123456789.

In the main text of your email you should include the following and must be written in English:

- Name;
- Date of birth;
- Passport Number;

• Home and mobile phone number.

The email account will be open for 48 hours only and all emails received within this timeframe will be sent an automated reply confirming receipt.

When the email account has closed, the remaining amount of applicants will be chosen at random by UKVI. A second email will be sent to you on Friday 19 July if you have been chosen to apply. This email will confirm acceptance and further instructions on how to make an appointment, along with documentary evidence required to apply for your entry clearance.

Please note successful applicants must prepare on-line applications and on-line credit card payments no later than 30 September 2019. Failure to submit your payment on-line by this date will automatically remove your name from the list and your allocation will be retracted. After you have paid on-line you have 90 days to submit your paperwork for consideration.

If you are living overseas you can also apply following the instructions above, and if you are chosen to apply you will be able to do so in your country of residence. Applications cannot be submitted for the Youth Mobility Scheme 2019 in the UK. An email will be sent to unsuccessful customers on Monday 22 July to inform them they have not been chosen and that no further action is required.

Ingenious innovations to help transform UK farming

New technologies are set to help UK farmers cut down on pollution, minimise waste and produce more food.



• Farmers set to benefit from innovations that boost food production and

cut down on waste

- funding will support projects including using electricity instead of herbicides to tackle destructive weeds and ground-penetrating radars that monitor potato crops
- projects supported by £22 million of government investment through the modern Industrial Strategy

New technologies are set to help UK farmers cut down on pollution, minimise waste and produce more food thanks to a £22 million government investment.

Science Minister Chris Skidmore today (28 June 2019) announced the first 31 projects to benefit from the government's dedicated Transforming Food Production Challenge, a £90 million Industrial Strategy fund to help businesses, researchers and industry to transform farming and meet the needs of a growing population.

This investment in the latest technological developments is a key part of the government's modern <u>Industrial Strategy</u>, and commitment to boost R&D spending to 2.4% of GDP by 2027.

It will also contribute towards providing greener, cleaner processes for the agricultural sector, helping towards the government's commitment to a target of net zero greenhouse gas emissions by 2050.

Projects will benefit from a share of £22.4 million to develop their innovative projects, with industry partners contributing a further £8.8 million. They include:

- Rootwave, in Warwickshire, who will use a £690,000 grant to use electricity instead of chemicals to kill weeds via the roots avoiding damage to crops
- Tuberscan, in Lincolnshire, who will use £391,000 to develop ground penetrating radar, underground scans and AI to monitor potato crops and identify when they are ready to harvest. This technology could increase the usable crop by an estimated 5%-10% and reduce food waste with minimal extra cost
- a project in Middlesex, who will use a £233,000 grant in its project to help cows graze without farmer supervision by placing sensors on farm gates that communicate with GPS trackers on cows to open and close gates allowing cattle to graze freely
- aiScope, a project based in Sheffield, who will use a £1 million grant to apply AI and analysis to tackle the common cereal weed, Blackgrass, potentially saving farmers £580 million a year.

Science Minister Chris Skidmore said:

The UK is a global leader in technological innovation, as well as being the first major economy to introduce plans for a legally binding target to reach net zero emissions and end the UK's contribution to global warming entirely by 2050.

The projects announced today will ensure we lead the way in supporting our vital farming industry, delivering high quality food for consumers while reducing the wider environmental impact.

This is a key part of our modern Industrial Strategy, investing in ground-breaking projects, creating highly skilled jobs and providing a cleaner, greener future for generations to come.

Farming Minister Robert Goodwill said:

Agri-tech can help us address the biggest challenges facing the agriculture industry, such as eradicating crop pests and diseases for arable farmers without harming the wider environment.

In 2018 we saw the total value of agri-tech investment worldwide skyrocket to \$17 billion — an increase of 40% on the previous year.

Today's funding will enable more investment in new technology, helping lead to scientific breakthroughs that could transform the sustainability of global food supply chains.

UK Research and Innovation Chief Executive, Professor Sir Mark Walport, said:

It is predicted that 60% more food will be needed worldwide by 2050 to feed the increasing global population. To do this we need to produce food in more resilient, sustainable and efficient ways. This means reducing emissions and pollution, minimising waste and improving our soil.

The projects announced today will help to address this challenge, delivering benefits for consumers through innovation in the food economy.

Full list of successful projects: Agri Tech projects (PDF, 141KB, 12 pages)

Transforming Food Production Challenge is part of the Government's Industrial Strategy Challenge Fund which aims to strengthen UK science and business innovation to take on the biggest challenges that society and industry face today.

The Challenge Fund aims to bring together our world-leading research base with Britain's best businesses to transform how we live, work and travel.

By investing in the very best research, development and innovation, it will tackle the major industrial and societal challenges we face today and put the UK in the best position to take advantage of future market opportunities.

Notes to editors

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