

Premier Foods

Premier Foods has been in the news over the weekend over reports of its “pay-to-stay” demands for upfront cash from its supplier base. This latest attempt to persuade its suppliers to stump up cash to stay on the approved supplier list is once again generating an angry response from the Solids Handling and Processing Association members as the last attempt did in August 2013. SHAPA considers this practice to be contractually unfair.

The BBC broke the story on Thursday 4th December, Vince Cable got involved as did others such as the IOD and the Federation of Small Businesses, eventually causing Premier Foods to back down and withdraw its scheme over the weekend. However, Sajid Javid, The Culture Secretary said in a speech in Birmingham on Saturday that, “we will legislate to take action against unfair contractual practices...”. So it seems that government has now taken notice, but SHAPA (which represents manufacturers and suppliers of solids handling and processing equipment) recognises the need to keep the pressure on.

SHAPA understands that the issue is outside the remit of the Groceries Adjudicator, but the Federation of Small Businesses is campaigning to get legislation in place to stop the practise (and other unfair practices). SHAPA has urged its members to make contact with FSB and we strongly encourage other interested parties to do the same.

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