

Webinar: Grocery Supply Code 2025 – What you need to know
Questions and answers
30 April 2026

The Commission received multiple questions from webinar attendees on matters relevant to implementation of changes to the Grocery Supply Code. Thank you to all attendees for your time and engagement. The Commission’s responses – based on its interpretation of the Grocery Supply Code - are provided in the following tables. If readers have a different perspective to the Commission, the Commission encourages further engagement. Suppliers with a different view to the Commission also have freedom to assert their interpretation in a dispute with a regulated grocery retailer they may take to the [grocery dispute resolution scheme](#).

In these responses, ‘RGR’ means ‘regulated grocery retailer’.

Questions about wastage

No.	Topic	Question received in webinar	Response
1	Wastage stock – effective control	Does ‘consignment stock’ fall under waste and shrink requirements?	In response to questions 1-4, we are working on guidance to clarify our response which will be shortly shared with the sector.
2		<p>We are seeing inconsistent interpretations of Clause 14 across different RGR banners.</p> <p>One RGR believes that if the supplier takes over ordering, either Pay-by-Scan or supplier-managed ordering, this means effective control transfers to the supplier, making the supplier fully liable for unsold stock and allowing the RGR to claim credits for wastage.</p> <p>Another RGR currently operates Pay-by-Scan (supplier bears wastage), but now wants to move ordering back to the retailer system, retain full ownership of</p>	



		<p>stock, and still claim credits for unsold product.</p> <p>Can the Commission please clarify:</p> <ul style="list-style-type: none"> • What is meant by “effective control” under Clause 14? • Does supplier involvement in ordering alone amount to effective control? • Can a retailer claim ownership of stock while still passing wastage or unsold stock risk back to the supplier? 	
3		<p>Please do provide clarity on clause 14 to all attendees or published on COMCOM website.</p> <p>And</p> <p>We have interim measures till we are negotiating. But two RGR's are having polar opposite interpretation of the Effective Control.</p>	
4	Wastage – dated stock	<p>We have seen a significant decline in orders, which appears to be driven by supermarkets interpreting recent code updates to mean they can no longer claim for short-dated stock, even with supplier consent. From our perspective, we are comfortable crediting short-dated stock</p>	



where appropriate; otherwise, retailers appear to be avoiding risk, which is resulting in lost sales. Can you confirm whether it is correct that short-dated stock cannot be claimed for, even with supplier consent?



Other questions

No.	Topic	Question received in webinar	Response
5	Clause 16 – Payments for a retailer’s business activities	With regard to the RGR's requesting payment contribution/terms for distribution costs to the stores being charged/paid by suppliers for stock through the RGR's DC's even though there is no calculation with regard to ordering efficiency, i.e., same cost for ordering 1 case v 1 full pallet?	<p>This question appears to be about a RGR charging a supplier for distribution costs within the RGR's own network.</p> <p>The starting position under the Code is clear: a RGR must not require a supplier – either directly or indirectly - to pay for the retailer’s business costs. This includes internal transport or distribution costs within the retailer’s network (see clauses 16(1) and 16(6)g)).</p> <p>There is a limited exception. A supplier may be required to contribute if:</p> <ul style="list-style-type: none"> • the grocery supply agreement expressly provides for the payment; and • the payment is reasonable in the circumstances. <p>Reasonableness requires considering the balance of benefits and costs to the supplier. Suppliers should feel able to question or challenge any cost allocation that does not appear fair or justified.</p> <p>If the supplier and RGR cannot reach agreement, the supplier can-</p> <ul style="list-style-type: none"> • take a dispute to the grocery dispute resolution scheme¹; and/or • report the issue to the Commission.
6	Compliance	My question is around how to deal with suspicious behaviour in light of the changes [to the Grocery Supply Code]? It	We encourage suppliers to review any deductions carefully to ensure they are reasonable in the circumstances.

¹ www.grocerydispute.co.nz



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		<p>could be a coincidence but in the lead up to these changes taking effect (in particular the wastage claim clause) my field team are noticing a considerable increase in claims for short landed orders rather than wastage claims.</p>	<p>Where products are being supplied with the same shelf life as before, and there has been no reported drop in demand, suppliers should not be seeing an increase in claims for short-dated stock.</p> <p>Suppliers should also check the agreed terms for short-dated stock arrangements and raise any concerns with the retailer if those terms are not being followed.</p> <p>We also encourage suppliers to report the specific details to us. Situations like this may raise concerns about whether the retailer is acting in good faith.</p>
7	Co-op	<p>What is the view [of the Commission] on the RGR asking for co op payments and deeper discounts to be able to promote products with them?</p>	<p>Under the Code, the starting point is that a retailer must not require a supplier—directly or indirectly—to pay for, or contribute to, a promotion (see clause 17(1)).</p> <p>There is an exception. A supplier may be asked to contribute if:</p> <ul style="list-style-type: none"> • the grocery supply agreement allows for this; and • the amount is reasonable in the circumstances. • <p>If your agreement includes co-operative (co-op) payments or other promotional discounts, you can ask the retailer to provide a written explanation for each payment (under clause 17(5)). This explanation should outline why the charge is reasonable and what benefit you are likely to receive.</p> <p>If you are not satisfied with the explanation provided, you may wish to raise the matter through the independent dispute resolution service at www.grocerydispute.co.nz. The Code also requires retailers to keep records of any supplier funding used for promotions.</p>



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8	Delisting	<p>What can a supplier do from a grocery supply code perspective when a supplier is notified of probable deletion of a product that is the only substitute product on the shelf to grocery store's own private label product, effectively eliminating fair competition and removing options to the consumer?</p>	<p>The Code does not require retailers to deliver competition on range through any specific means, such as selling third party products in addition to its private label products. However, when considering delisting, a RGR needs to follow the requirements of clauses 19 and 20 of the Code and clause 19 provides that delisting must be for "genuine commercial reasons".</p> <p>Looking at the clause 19(3) examples of genuine commercial reasons, they all relate to failure of the supplier or its product to meet reasonable requirements. The Commission notes that delisting to boost growth of a private label product is dissimilar to those examples. Where this is the RGR's reason, under clause 20 of the Code, the RGR would need to provide information about it. The Commission's view is that genuine commercial reasons should be consistent with the purpose of the Code, which clause 16 of the Grocery Industry Competition Act references as contributing to a trading environment, "in which businesses compete effectively ...and that includes a diverse range of suppliers."</p> <p>If the delisting decision occurs following a range review, when making ranging decisions the retailer must follow its ranging principles and may not discriminate in favour of its private label products.</p> <p>If a supplier has concerns about delisting decisions that it cannot resolve with the retailer, the independent dispute resolution service run by the NZ dispute resolution centre may assist. Contact http://www.grocerydispute.co.nz/.</p>
9		<p>What is the retailer obligated to disclose to the supplier as the reason for delisting a product? Is the retailer obligated to disclose numbers and metrics as</p>	<p>Before delisting a product, the retailer must tell the supplier its genuine commercial reason for the decision.</p>



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		<p>evidence? If the product is showing good metrics and the supplier is offering a commercially sound proposal and the retailer still opt to delist the product, what can the supplier do?</p>	<p>However, it does not have to provide detailed supporting information (such as sales data) at that stage.</p> <p>A supplier has the right to ask for the delisting decision to be reviewed.</p> <p>As part of that review, if the supplier is concerned that the reason given is not supported by evidence, they can:</p> <ul style="list-style-type: none"> • ask the retailer to consider relevant information (such as sales data); and/or • request that the retailer check the accuracy of the information it originally relied on. <p>The review must be carried out in good faith (see clause 6).</p> <p>If the retailer maintains the delisting decision after the review, the supplier can take the matter to the independent Grocery Dispute Resolution Scheme.</p> <p>More information is available at www.grocerydispute.co.nz.</p>
10		<p>What views do you have regarding conduct leading up to implementation of the code. Specifically delisting and shelf space minimisation.</p>	<p>Delisting has been specifically regulated under the Code since 2023 (see clauses 19 and 20), and retailers must follow those requirements.</p> <p>The Code does not prevent a retailer from reducing shelf space for a particular product category.</p> <p>However, under clause 27 (product ranging, shelf space allocation, and range reviews), retailers must:</p> <ul style="list-style-type: none"> • develop clear principles for how they allocate shelf space; • provide those principles to all suppliers with a grocery supply agreement; and



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11		Pricing via RGR head office- and fed through to stores without consultation with supplier who are locally ranged which will put supplier in disadvantageous position and possibly lead to delisting in stores. Feels like constructive dismissal. Any advice please?	<ul style="list-style-type: none"> • apply those principles consistently in practice. <p>We are unclear as to whether the question is about changes to pricing arrangements (with impacts on ranging) or changes primarily to ranging arrangements. Please contact us - anonymously if necessary - to clarify. If relating to pricing changes, let us know whether you are concerned about setting the price paid by the RGR or the retailer's consumer price setting.</p> <p>You can contact us directly at grocery.regulation@comcom.govt.nz or if you want to ensure anonymity, you can use our Anonymous Reporting Tool at https://report.whistleb.com/en/comcom-grocery. If using this tool please remember to write down your login details and sign back in after submitting your report to check if we have responded to you through the tool.</p>
12	Implementation clarification	1 month isn't appropriate time for suppliers to negotiate new terms with retailers. What are the protections that exist for suppliers should they not get to an agreement with retailers before June 1st?	<p>There is no time limit specified in the Code for suppliers to agree to the new GSAs, only for RGRs to offer them. Even if you haven't signed your GSA, you are still protected fully by the provisions of the Code.</p>
13		Catharine said that if different that from tomorrow they may not be able to do business on same terms - isn't there a month grace period? So not tomorrow but 1 June? Can you please clarify?	<p>The amended Code came into effect on 1 May 2026.</p> <p>If a RGR's prior trading terms with a supplier would breach the new Code, the RGR will have needed to change how it trades from that date.</p> <p>Suppliers have the right to be consulted on any replacement terms.</p>



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			<p>RGRs have until 1 June 2026 to offer updated written grocery supply agreements that comply with the new Code.</p> <p>Suppliers can review and negotiate these proposed changes.</p> <p>If a RGR proposes changes to terms that are not affected by the Code (for example, pricing), it should not present those changes as necessary for Code compliance.</p> <p>Any such changes require the supplier's agreement, and the retailer must engage with the supplier in good faith.</p>
14	Investment buying	Regarding the changes to clause 18 - what if a supplier agrees to provide promotional funding, but there is no agreed promotional retail price - how could a supermarket sell above the promotional retail price if none has been agreed?	<p>Clause 18(2) is intended to protect suppliers where they provide funding for promotions that reduce the retail price of a product. If a promotion does not involve a price reduction (for example, it uses another type of promotion), clause 18 does not apply.</p> <p>Under the updated Code, where a promotion involves a reduction in the consumer price, the retailer must refund the supplier for any part of the promotional funding that was not used during the promotional period. This requirement applies even if the supplier had no role in setting the retail price.</p> <p>To meet this obligation, retailers need to keep clear records showing how the promotional funding was used.</p> <p>They should also be able to provide this information to the supplier if there is a dispute about whether a refund is owed.</p>
15	Not code related	I have a question from a Field Team member who has been told by store that there is a potential \$30,000 fine for a store	Under the Fair Trading Act 1986, a business must not make false or misleading statements about the price of goods (section 13(g)).



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		if a product only shelf does not match the ticket. Is that correct?	<p>If a customer is charged a different price at the checkout than the price shown on the shelf, the store—as the business selling directly to the customer—may be responsible for making a false or misleading representation.</p> <p>If the store says that the supplier was responsible for the accuracy of shelf pricing, that is a separate contractual issue between the store and the supplier.</p> <p>Even if the supplier was responsible for the error, this does not provide a defence for the store under the Fair Trading Act, nor does it shift legal responsibility from the store to the supplier.</p>
16	Range review/RDP	If a supplier wished to opt out of the FSNI CPT, is this possible and if so how would they go about doing this?	<p>FSNI’s Commercial Proposal Template (CPT) is used during category reviews.</p> <p>These reviews must follow clause 20, which requires RGRs to explain upfront how the review will be conducted and what information will be used.</p> <p>If a review results in proposed product delisting, the RGR must also comply with clause 19 (delisting requirements).</p> <p>RGRs can use tools like spreadsheets or the CPT to manage their review process.</p> <p>While a supplier may prefer not to use the CPT, the RGR can reasonably require all suppliers in a category to use a standard template where there are multiple suppliers and products, to ensure consistency and efficiency.</p> <p>When using the CPT, the RGR must act in good faith. This includes:</p> <ul style="list-style-type: none"> • working cooperatively with suppliers; • communicating clearly and promptly;



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			<ul style="list-style-type: none"> • providing relevant information in a timely way; and • not putting suppliers under undue pressure. <p>If the CPT includes things like discounts, promotional payments, rebates, or set-off arrangements, the RGR must still meet the Code’s specific requirements for those matters. This means giving the supplier clear, agreement-specific information in addition to what is set out in the CPT.</p> <p>We acknowledge that suppliers find CPTs and similar spreadsheets very complex and confusing. We welcome feedback from both suppliers and retailers on ways to simplify the documents supporting commercial negotiations. Any changes should still allow both parties to clearly identify and discuss the issues that matter most to them.</p>
17	Record keeping	What does the Commission see as best practice in terms of keeping a record that each promotion with supplier funding is reasonable in the circumstances?	<p>We don't have an explicit view on what best practice looks like in this regard, but it must be written. Ultimately, this is an obligation on the RGRs and the way that is done is up to each of them.</p> <p>It is important that written records clearly explain:</p> <ul style="list-style-type: none"> • the benefits of the promotion for both the retailer and the supplier; and • why the supplier’s contribution to the cost of the promotion is reasonable.
18	Scope	Do these rules [of the Grocery Supply Code] also cover Gilmours and Trents? The wholesale arms of Foodstuffs?	<p>Yes, clause 4 of the Code says it applies to all “regulated grocery retailers.”</p> <p>The Grocery Industry Competition Act 2023 defines regulated grocery retailers to include related companies and franchisees of FSNI, FSSI, and WWNZ.</p>



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			<p>Gilmours and Trent's are franchisees (and related companies) of FSNI and FSSI.</p> <p>As a result, they must comply with the retailer obligations set out in the Code.</p>
19	Signing/not signing GSAs	Are GSAs only signed at the Head Office level, or are they required for each individual store we trade with as well?	<p>It is up to the RGR whether grocery supply agreements (GSAs) are signed at head office level/co-op centre or at individual store level.</p> <p>Regardless of this, any supplier dealing with the RGR—whether through head office/co-op centre or a store—is covered by the protections of the Code. This applies whether or not a GSA is in place, and regardless of who manages it.</p> <p>☑If you have specific arrangements with an individual store, those arrangements count as a supply agreement and must comply with the Code (see Part 3).</p> <p>In some cases, the RGR's head office/co-op centre may prefer these store-level arrangements to be included in a wider agreement (for example, as a schedule to a national GSA).</p> <p>If the arrangements are not included in a broader agreement, the separate store-level arrangements must still meet the requirements of Part 3 of the Code.</p>
20		Is it legally required for suppliers and retailers to negotiate on the GSA until conclusion and then sign?	<p>If you are presented with proposed GSA terms that you understand and consider compliant with the Grocery Supply Code and agree with, you are not obliged to negotiate on them; you can accept those terms.</p> <p>If you disagree with any of those terms, even if you consider them Code compliant, you should engage the RGR on your perspectives</p>



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			<p>and it would be in breach of the retailer's good faith obligations if it did not engage with you. If you cannot agree but nevertheless continue to supply the RGR you are still covered by the protections of the Code.</p>
21		<p>You mentioned that suppliers must sign the new agreement by the 1st of June. What if the retailer is requiring the supplier to sign the contract before the 1st of May?</p>	<p>There is no specific date in the Code by which GSAs need to be signed.</p> <p>The retailer does not need to take advantage of the additional month to 1 June 2026 it has available to offer revised trading terms; it was able to put a revised GSA to you earlier if it wished. As long as the retailer provided you with a reasonable lead-in time for negotiation on its revised terms, it is not a breach of the Code for it to close its negotiation window on 1 May 2026.</p> <p>Whether you had a reasonable negotiation period and whether the retailer engaged in good faith with you on any concerns you had are matters of fact for which specific legal advice may assist.</p> <p>In addition to these points, please also refer to the responses provided for questions 12, 13 and 20.</p>
22	Head office/store level GSAs	<p>The Grocery Commissioner has previously said he doesn't think individual stores should have to offer GSAs and this was going to be fixed in the review... was this not addressed in the review?</p>	<p>In our review of the Grocery Supply Code 2023 we expressed the view (in our draft reasons paper of 5 June 2025) that most stores should not need direct agreements with suppliers and that the co-op centres or head office of the RGRs should help reduce the administrative burden on individual stores.</p> <p>We welcome feedback on how this is working in practice and whether this is something that needs further attention in the next review.</p>



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23	Zero alcohol	<p>We've been trying to get clear guidance from the ComCom on Zero Alcohol products for some time - are these included or excluded within the New (and prior) Supply Code? Can we please get an unequivocal response?</p> <p>And</p> <p>Note the question regarding Alcohol was around Zero Alcohol products. Appreciate it's been clear that Alcohol is excluded but what is the status of Zero Alcohol products?</p>	<p>We have previously said that drinks with up to 0.5% alcohol are treated as non-alcoholic, in line with other legislation.</p> <p>This means that products with 0.5% alcohol or less, as well as zero-alcohol products, are treated as groceries and are covered by the Code.</p> <p>However, we welcome feedback from drinks suppliers on how they distinguish between alcoholic and non-alcoholic products for different purposes.</p>

