



The Riverford Supplier Charter

Introduction

Trading relationships should be human, respectful and, wherever possible, enjoyable. I am very proud that on most occasions we manage this. Riverford once sold most of its vegetables to supermarkets; the relationships we had with buyers were unbalanced, short-term, wasteful and abusive. I am determined that the business I founded will never repeat those behaviours and that we will continue to live up to our ethics as I step aside and trustees, buyers and directors inevitably change.

Riverford is now a substantial buyer, mostly from primary producers, many of whose commercial future and prosperity are dependent on us. When Riverford became employee owned in 2018, protection for our suppliers was enshrined in the company's articles (see appendix 1).

The intention now, as promised at our Suppliers Conference 2019, is to define more specifically how Riverford will behave as a buyer, and what we expect from our suppliers in return.

The aims of this document, and the discussion around it, are to:

1. Define the behaviours Riverford aspires to,
 - a. Generally, and
 - b. Wherever possible, specifically.
2. Provide a means of judging to what degree we live up to them.
3. Provide a means of redress when suppliers think we haven't lived up to them.
4. Promote clear and efficient communication of expectations on both sides.
5. Through all the above, to promote long-term, mutually beneficial trading relationships which reduce stress, facilitate long-term investment in knowledge and mechanisation, reduce waste and increase efficiency. Ultimately, to serve suppliers, Riverford, customers and the environment, through an efficient and sustainable supply chain that benefits all.

We are committed to developing a better way of doing business than the norm – but we also need to be mindful that we do, ultimately, compete with those retailers who use their buying power to exploit growers. Asking our customers to pay significantly more so that we can be “nice” will not work; a good story can add some value, but we should be in no doubt that price matters too.

We must constantly and restlessly search for improved quality and efficiency, combined with new and better ways to satisfy our customers. Competition does unquestionably drive innovation, but it seldom goes hand-in-hand with the trust, communication and cooperation that also contribute to efficiency in the supply chain. I am convinced that **trust** (which can only be established by honouring our commitments over time), and good **communication** (which requires trust and respect for trading partners) can drive more improvement and innovation than the pressures of competition alone. Together we can show that a better way of doing business is possible.

Guy Singh-Watson

Riverford founder & co-owner



Principles, aspirations, & how they will be applied

75% of our purchases (by value) are fresh fruit and vegetables, so the below is written with these products in mind. The specifics may be less directly relevant and appropriate to other products, but the same principles apply.

Principles & aspiration	Specifically, we will...	We expect you to...
<i>Payment</i>		
<p>We will pay as quickly as practically possible without significantly increasing transactions costs. We will not use your money to finance our business.</p>	<p>Payment will be made around the 24th of each month for invoices presented and stock received in the month prior.</p> <p>There are some exceptions by crop/grower which will have pre-agreed terms.</p> <p>If our cash situation allows, we may – on occasion and by request – pay suppliers sooner to ease cyclical cash flow constraints of growers. If you envisage a cash flow problem, please contact us early.</p>	<p>Present an invoice on delivery to our accounts department, to ensure on time payment.</p>
<i>Programmes and planning</i>		
<p>We aim to buy 90% of what we sell from our preferred suppliers, and will issue programmes by a date mutually agreed with you for the next season. Programmes to include volumes, delivery week, specifications and price.</p>	<p>We will buy what we say we will buy, and pay what we said we would pay for it. Though we may in times of exceptional shortages flex quality specification downwards, we will not use higher quality and specifications as a way of avoiding meeting those commitments.</p> <p>If, for reasons outside the supplier's control, crops come early, late or in larger volumes, we will do all we can to use them at the agreed price, provided this does not compromise our ability to honour programmes with other suppliers.</p> <p>It should be noted that we will review delivery to programme annually, and if suppliers repeatedly fail to hit programmes (date and/or volume), we may</p>	<p>Do your very best to meet programmes through professional agronomy and not trying to do more (in quantity or complexity) than your farm, experience and business can reasonably expect to succeed at.</p> <p>Stay abreast of new varieties and growing techniques; doing what you did last year will not be enough in the long run. Having settled on a range of crops that suits your farm and you, focus on them with a determination to be the best.</p> <p>We value innovation amongst our growers, but don't flit from one crop to another or you will never be</p>

	<p>withdraw or reduce future programmes.</p> <p>We will keep suppliers informed on business performance and any likely changes of direction.</p>	<p>more than average at anything. Do your trials in a focused and planned way, and please discuss with us your thoughts at the earliest opportunity for the best possible chance of success or realising an opportunity.</p>
<i>Continuity</i>		
<p>We want our suppliers to be able to invest in their businesses with confidence for the long term, and to avoid the anxiety that accompanies short-term contracts and competitive bidding for business.</p>	<p>We will stick with existing suppliers for the long term unless there are good reasons for looking elsewhere.</p> <p>If we do need to change our suppliers, we will give as much notice as reasonable, with a minimum of three months and honouring the agreed programme, unless there is a serious breach such as removal of organic status. Our preference is to buy from suppliers who are committed to the Riverford supplier principles, as well as the letter of organic production; we may request evidence supporting this.</p>	<p>If your business changes and you think you may want to leave us or change quantities substantially, we would appreciate as much notice as possible, and promise not to take this as a reason to reduce orders in the meantime. For those approaching retirement, we would like to hear your plans for succession.</p>
<i>Specifications and quality</i>		
<p>Specifications should reflect the customer's reasonable expectations and needs, the reality of production in organic systems, and the desire to minimise waste; if it's edible without excessive preparation, we want to see it eaten. It must be respected that it is hard to define quality in measurable, quantifiable terms, particularly when it comes to flavour, so there will always be room for disagreement and the need for dialogue to resolve it. We would like our suppliers to have a genuine interest in pleasing our customers and helping to shape specifications; in most cases you will know more than us about your crop.</p>	<p>We will set specifications in collaboration with the grower, according to our knowledge of customer preferences and your knowledge of the crop.</p> <p>Unfortunately, at times, the constraints of packaging will also play a role, but we will keep this to a minimum.</p> <p>We will be prepared to flex specifications where this will help a supplier without being significantly to the customer's detriment or increasing our costs.</p> <p>We will never use quality as a means of managing our stock and thereby not honouring our commitments.</p>	<p>Tell us when you think our specs are wrong or unreasonable; push back openly and ahead of the season agreed.</p> <p>Inform us early if the crop will be outside the agreed spec and seek a derogation; don't just deliver and hope for the best.</p> <p>Where quality issues occur, let us know early and open a dialogue as to how we might use as much of the crop as possible. Don't sneak it in at the bottom of the pallet, crate or punnet and hope we won't notice; we will, but it may then be too late to</p>

<p>Flavour and eating quality are a much more significant issue for Riverford than most retailers.</p>	<p>If quality is deemed unsatisfactory, we will inform a supplier as soon as reasonably possible and always within 48 hours. We will seek to understand the reason and work proactively to find a solution with the supplier.</p>	<p>avoid disappointing a customer.</p>
<p><i>Availability predictions and reliability</i></p>		
<p>Reliability really matters; if you fail to deliver on an order you have agreed to, this can add to our costs substantially as we make a last minute search for substitutes, and can result in staff having to work late as work programmes are disrupted.</p>	<p>For local growers, we have an agronomist who may be able to help. For those further away, use telephone access.</p> <p>We will help you develop your skills in this area if required.</p>	<p>Walk your crops regularly, talk to other growers and our agronomists, keep records. Use as many methods as possible to corroborate an estimate (yield per plant, yield per area, percentage of total expected yields, etc.). If this is not your strong point, consider getting someone else to do it.</p> <p>Let us know as early as possible if you realise you have got it wrong, being as specific as you can.</p> <p>If you use our agronomist, try to walk the crops with them and learn as much as you can.</p>
<p><i>Claims</i></p>		
<p>A fair claims procedure must reward consistent quality, allow us flexibility to use as much as possible of a problem crop without rejecting it, and not be too administratively expensive. It is often a close and subjective call as to whether a crop is acceptable; we will not always get it right.</p> <p>Disagreement is inevitable. Our collective success will be determined by how we resolve and learn from those disagreements.</p>	<p>We will absorb the first 5% of grade out without claiming. If we think it likely that grade out will be higher than 5%, we will inform you at intake of the possibility and aim to let you know the level of grade out within 5 days of the agreed delivery date.</p> <p>Ungraded root crops are an exception to this, with their own separate process.</p> <p>If at all possible, and particularly if you disagree, we recommend you come in and discuss the issue</p>	<p>Be respectful; our Quality Control staff are doing their best in a difficult situation, and will not always understand the challenges in growing the crop.</p> <p>Be specific; use reasoned arguments, quantities and facts.</p> <p>If you are unhappy with how you are being treated, be sure to record everything in case you decide to resort to our ombudsman to resolve the dispute.</p>

<p>If we have both done our jobs well, high levels of grade out should be rare and rejections very rare.</p>	<p>with the produce in front of you. If this is not possible, we will do our best using pictures, emails and the telephone.</p> <p>We will never make unreasonable claims, and will always be mindful of the commercial and emotional cost of a rejection.</p>	<p>If you know there is a problem with the crop, talk to us and send a sample before harvest if possible so that we can agree what is acceptable and possibly issue a derogation from the normal spec.</p> <p>When picking, cut open a small percentage to check for internal problems (we will do this, so it is better you have already seen for yourself).</p>
<i>Price</i>		
<p>We want to pay a fair price that reflects the true costs of producing fruit and vegetables according to our values, but we cannot afford to be more expensive than our competitors without a clear reason. We would like to agree a price and get the topic off the table so both sides can focus on farming, packing and delivering veg with a minimum of distractions.</p> <p>Prices will occasionally be referenced against long term averages on the open market, but we will not follow them in the short term.</p>	<p>We will honour the price and volume agreed when a programme is offered, regardless of what happens subsequently.</p> <p>We will be open to annual discussions of price and, by exception, intermediary discussions if conditions change sharply. But we would like to avoid constant negotiation and haggling.</p>	<p>Know your industry and take advantage of learning and methods used by others to reduce costs.</p> <p>If you are asking for a higher than market price, there must be a reason; either a better product or, to a lesser extent, environmental, social or animal welfare benefits.</p> <p>We would like to support smaller scale, family producers, but smaller scale farmers should select crops where the benefits of scale are minimal.</p> <p>Honour the programme even if market prices rise, in the same way Riverford will honour them if market prices fall.</p>
<i>Innovation and constant improvement</i>		
<p>The comfort of a relatively secure and long-term relationship does not remove the need for constant improvement. Ultimately, efficiency and cost reduction are as important to us as any</p>	<p>Our customers and their aspirations are not the same as supermarkets, so some crops might not be for us. Talk to us before investing significant effort or time in developing a new crop or method.</p>	<p>Know your crop and industry. Keep abreast of changes and technical improvements, be they growing methods, mechanisation or new varieties. We don't have to</p>

<p>business. The difference is that we will work together to achieve them and take the long view.</p>	<p>We will produce an end of season report, or invite you for a discussion at the end of the season, to include: what went well and what didn't; areas for improvement; sales relative to program; accuracy of availability forecasting; and quality issues.</p>	<p>follow everyone else, but we do need to know what we are up against.</p> <p>We welcome suppliers suggesting new crops and growing methods, but it is worth involving Riverford at an early stage to gauge interest.</p>
<p><i>Communication</i></p>		
<p>Good communication up and down the supply chain can reduce risk and waste, promote the right innovation, and add value to the end customer (through details of provenance and storytelling).</p>	<p>We have become a large and complex company, and we know it can be hard to get your voice heard. We will provide a regularly updated contact list so you know who to pursue for each issue.</p> <p>We will endeavour to listen and respond within 48 hours.</p>	<p>Be available to our media team to tell stories, or at least provide background information.</p>
<p><i>Valuing and respecting the relationship</i></p>		
<p>On principle, we do not want to restrict your ability to sell to whoever you want, but we do want you to be focused on growing a limited range of crops well, and not distracted by building a brand or chasing multiple customers. In practice, and based on experience, there are certainly times when exclusivity works best for both parties, as it has for our local cooperative, South Devon Organic Producers (SDOP). We like dealing with suppliers who get their hands dirty and are focused on producing a great product at a reasonable price. If you are excited by marketing and brands more than by farming, we are probably not the best customer for you.</p> <p>In practice, Riverford as one of many customers (for a particular crop) works best for specialist producers and less well for mixed farmers with many crops.</p>	<p>We value the relationships with our growers and look to work in the long term.</p> <p>We will be clear, open and honest throughout. We will talk to you about Riverford's long-term aims, so we can both ensure we are compatible.</p> <p>We will look to support small and new businesses. We are happy to be an anchor customer, but not a steppingstone to developing your brand or getting a supermarket listing.</p>	<p>If you supply other customers and incur marketing, distribution, packaging, stock holding costs or bad debt, we do not expect to contribute to these; i.e. you cannot expect to spread overheads incurred by supplying other customers over your sales to Riverford.</p> <p>You must be prepared to be clear about what you are growing for Riverford and what is for other customers. Even if other customers are paying a higher spot price, you must honour your programme with Riverford.</p>

<i>Safety and care</i>		
<p>Safety for people and care for product is important to us all. We work with products that come in all shapes, sizes and weights, that are delivered by tractors, trailers, vans and trucks. What we do can have safety challenges and it's important we ensure both our co-owners and suppliers are safe from picking to packing, and the products you produce have the best care.</p>	<p>We have a dedicated health and safety team.</p> <p>We will ensure all of our sites are safe, so when you deliver there isn't a risk to you or us.</p> <p>We will take care of the products we buy. Storing them in optimal conditions and handling them in a way to prevent damage and unnecessary waste.</p>	<p>Don't over fill crates which could make them too heavy. This could lead to damaging the crop you spent so long caring for and harm others when lifting and moving.</p> <p>Use crates and pallets that are sturdy and suitable for the job. Thinner, cheaper pallets may feel like the best economic and ethical choice but have a risk of breaking, creating waste and harm.</p> <p>At all times adhere to Riverford's health and safety policies.</p>
<i>Respect and enjoyment</i>		
<p>Business should be fun (most of the time anyway). We want to do our best to remove barriers to you enjoying your business, and to help give the pride that can come from producing a great product and having it enjoyed.</p>	<p>We will put (almost) as much effort into thanking you when it is good as looking for improvement when it is poor.</p> <p>We will host a supplier conference at least biannually.</p>	<p>Treat Riverford's co-owners with the respect you would like to get from them.</p> <p>Complain to us in a specific, evidence-based way.</p>
<i>Dispute resolution</i>		
<p>Good communication will keep disputes to a minimum, but it is important that suppliers have a means of redress if they think Riverford has not lived up to the standards laid out above. It is important that they should be able to do this without concern that their future sales to Riverford will be jeopardised.</p>	<p>We will make every attempt to resolve disputes promptly and directly with suppliers, and in all cases within 8 weeks.</p> <p>Riverford will appoint an external adjudicator, normally the head of the Riverford trust.</p> <p>We will abide by the decisions and recommendations of the adjudicator.</p>	<p>Suppliers must make all reasonable efforts to resolve disputes through the normal channels, and may only involve the adjudicator after presenting their case to Riverford; the process will be expensive in time and needs to be kept to a minimum.</p> <p>Evidence submitted to the adjudicator must be objective and non-personal in nature and presented in an organised file.</p> <p>This needs to be a last resort; all other channels with the Riverford procurement team must be exhausted.</p>

