

Supermarkets: Green Giants or Incredible Hulk?

**Short Debate
June 21, 2006**

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The Incredible Hulks?

Raging retailers with enormous strength



TESCO
Every little helps

ASDA
part of the **WAL-MART** family

M
MORRISONS

Sainsbury's

Or Green Giants?



“We have therefore concluded that...the acquisition may be expected to have the adverse effects on consumers of those markets of higher prices, and reduced range of products, loss of choice and poorer service...”

Competition Commission, Some

Every L
needs t

Asda drives down world banana prices

In August 2002, Asda sparked a banana retail price war between itself and banana workers worldwide. Asda specifically targeted the UK market as part of its strategy to brand itself as Britain's best value retailer. As a result, banana prices were lowered by 75%. Asda's exclusive deal with the banana industry is described as "ridiculously low" and "under the worst labour conditions in the world". Independent growers in other countries with anti-dumping protection, such as Costa Rica, can no longer sell to Asda without making a loss.³¹

Where's the Real Action?
THEY'VE ALL FAILED

Investigation into the supply of groceries by retailers in the UK. Evidence of market developments and features of the market that may be preventing, restricting or distorting competition and thereby

ten fruit

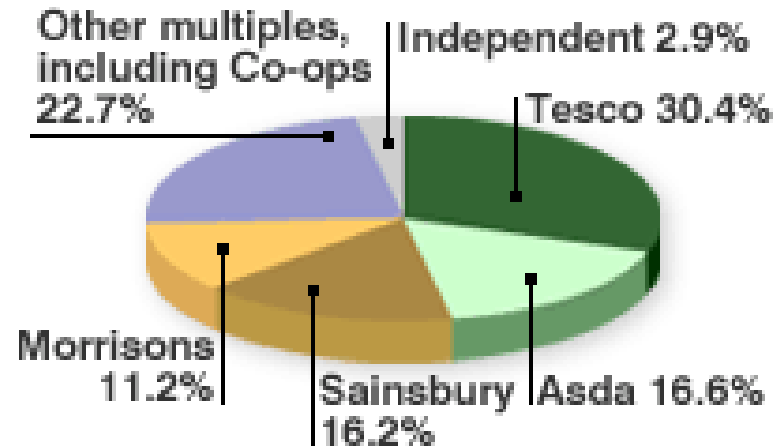
June 2005

actionaid

scoco profits as women workers pay a high price

These Guys...

GROCERY MARKET



SOURCE: TNS Worldpanel

BBC, 9 March 2006

...are incredibly successful.

Sainsbury's profits up 12% at
£267m
7.56AM, Wed May 17 2006

NHS trusts pledge to copy
Tesco business methods

John Carvel
Thursday June 15, 2006
[The Guardian](#)

Figure 4.6: Trend in real food prices since 2000



Source: OFT calculations based on ONS RPI data

Office of Fair Trading, 'The Grocery Market', May 2006

Mick's Shopping Basket



Packaging



Food Miles



CO² Emissions (g)



Product	Packaging	Food Miles	CO ² Emissions (g)	Fairtrade
Onions (NZ)	Soft plastic wrap	11774	10738	No
Potatoes (Spain)	Plastic bag	5565*	70696**	No
Peppers (Dutch)	Plastic bag	625	8	No
Leek (Spain)	Plastic tray	6964	48	No
* Avocado (S. Africa)	Plastic, cardboard	6013	2072	No
Cherries (Italy)	Plastic tray	1086	32	No
** Tomatoes (Spain)	Plastic, cardboard	964	48	No
Kiwifruit (NZ)	Plastic, cardboard	11774	10738	No
Pork (Dutch)	Hard plastic box	625	118	No
Lamb (NZ)	Hard plastic box	11774	43876	No
Bananas (Costa Rica)	Plastic bag	1408	2253	Yes

And an average shopping trip of 5 miles...

As Faith Fades in Free Trade...



HONG KONG
WTO
OMC 05

HONG KONG
WTO
OMC 05

HONG KONG
WTO
OMC 05



Supermarkets: Takes better deals of Sustainability?



So What Now?

More competition!

But not just on price

Who can deliver the most extensive range of Fairtrade products?
But not just on quantity

But not just on quality

But on the real green issues

Who will leave the smallest waste footprint?

Who will win the food mile run?

Will they?



The Sainsbury's logo is a solid orange rectangle with the word "Sainsbury's" written in a white, sans-serif font.

Can the incredible hulks become the green giants of the modern world?



Who will **recycle** the most ?

Who will sell the most **local food** ?

Who will sell the most **Fairtrade products** ?

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