

# Laucke slams Woolies' tactics

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A ROW between Laucke and Woolworths has escalated, with the owner of the Strathalbyn flour mill vowing to campaign against the supermarket giant's treatment of suppliers.

Laucke owner Mark Laucke hit out at the flour supplier's biggest distributor yesterday after negotiations over a wholesale price rise broke down, resulting in the removal of three more Laucke products from Woolworths shelves.

It follows last week's decision to dump three Laucke products, and leaves nine varieties on offer at Woolworths stores, including the popular CWA (Country Women's Association) scone mix.

Mr Laucke said the latest decision put jobs and investment at risk, both at Laucke and across the food industry supply chain.

"They're (the three products) clearly good earners so there must be some other motive," Mr Laucke said.

"They (Woolworths) have taken a policy decision to take me out. Why? Because I have brand loyalty.

Last week, Woolworths bowed to public pressure by agreeing to Laucke's request for a 7 per cent price increase for its popular CWA scone mix.

However, the retailer has refused to accept the same price rise across six other Laucke products.

Mr Laucke said independent retailers had adopted the increases, which had been sought by the fourth generation family-owned business to recoup spiralling power and raw materials costs.

He said it was time for the food industry to take a stand against tactics used by Woolworths to keep control of its suppliers.

"I'm planning to reach out to my contacts in the food industry, and will raise this with other food manufacturers across Australia to see what we can do," he said.

"This has been going on too long and it's compromising our business and our survivability."

Mr Laucke said he feared Woolworths would dump the nine Laucke products that remain on the supermarket's shelves as soon as it can source competing alternatives.

But a Woolworths spokesperson said the retailer was "committed to our partnership with Laucke and will continue to sell nine of their products on our shelves including the CWA scone mix".

"A small number of products have been discontinued on our shelves due to low customer demand, while others because of consistent non-supply from Laucke."

"We look forward to the ongoing supply and availability of Laucke products on our shelves for our mutual customers, now and well into the future."