

Food Group Newsletter

Cadbury, Gü, Glisten, Kettle... Who's next?

I started the last newsletter in August with the headline "Tough M&A climate but outlook brighter." I was rather hoping that, once the summer holidays were over, everyone would return to work with a new vigour for doing deals, having established that organic sales and profit growth is very hard to come by in these recessionary times. With the worst of the banking crisis appearing to be behind us, there were some signs that lenders might start doing what they do best – lend!

However, as our month by month guide to mergers and acquisitions shows, the anticipated upturn in activity did not really materialise, or at least not in the UK. The quarter to December 2009 saw plenty of businesses going into administration (but relatively few going out of existence) and some major retrenchment to core territory by players such as Wessanen, Greencore and Uniq, but very little positive action from the major UK food & drink companies.

At Rollits we were very pleased to be involved in second half 2009 deals involving TSC Foods, 3G Food Service and Pasta King, but deals were pretty thin on the ground generally.

It was, perhaps, the bitter battle for Cadbury, commenced by Kraft five months before consummation, that stirred the M&A world into action. Certainly the prices paid by Kraft for Cadbury, and later by Noble Foods for Gü and by Diamond Foods for Kettle Foods, confirm that good quality branded businesses with a strong market position will still command premium multiples notwithstanding a tough economic climate.

Raisio's acquisition of Glisten came as something of a surprise, although Glisten's £28m of debt and depressed share price had severely restricted the company's ability to grow by doing more acquisitions. It will be interesting to see whether there is renewed interest in other AIM-listed plcs such as Finsbury and Zetar.

Kraft's decision to reverse earlier pronouncements about keeping open the Cadbury factory at Somerdale is perhaps indicative that the US acquirer, having been forced to pay top dollar to end Cadbury's 186 years of independence, does not intend to hang about in extracting every possible

synergy and cost saving. Certainly, the well-rewarded senior management of Cadbury did not hang about either once the ink was dry on the deal.

In the meantime, the major UK food retailers generally performed exceptionally well over Christmas, some (such as Waitrose) remarkably so. But Asda are not alone in their nervousness about consumer spending and, with tax increases and the rising cost of petrol and other essentials, there is not a huge amount of public confidence ahead of the General Election, expected to be on 6 May.

Unsurprisingly, the retailers' humour has not been improved by the introduction of a new grocery supply code and the prospect of a retail ombudsman. The government has decided to press on with this initiative amidst widespread scepticism whether it will deter supermarkets from abusing their dominant position and may even be counter-productive.

In February food inflation fell to 1.3% due to cheaper vegetables and fish (British Retail Consortium). This is the lowest rate since 2006.

The indications are that inflation will remain at around current levels for the rest of this year. Whether this signals a sustained return to trading-up remains to be seen, but the indications are positive.

Finally, mention must be made of the weather. The winter has been the worst for 30 years and snow continues to fall in many parts of the country (but only seems to get mentioned on news bulletins when it is in the South East). The cold weather has been good news for manufacturers of hot-eating comfort food and, judging by the excellent results which keep coming out of our clients, Cranswick, good for sales of sausages and bacon.



Talking about needing something warm in the cold weather, I must mention a survey commissioned by Fox's Biscuits, makers of the Rocky chocolate biscuit bar, and owned by Northern Foods, another company we know well and are pleased to work with.

The research showed that there may be more than 500 'biscuit-related' accidents a year, or around ten a week. The custard cream came out top of the Biscuit Incident Threat Evaluation. Dunking in scalding tea was a common danger, although poking oneself in the eye with a biscuit and falling off a chair reaching for the tin also figured.

In case you wondered, Jaffa Cakes were rated as the safest 'biscuit' of all (although they are in fact a cake), which is very good news. They are my favourites and also not subject to VAT.

Here's hoping for a much warmer (and safer) spring and summer.

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Month by month guide to mergers and acquisitions

July 2009

PepsiCo, owners of Frito-Lay and Quaker, took a 20% stake in Japan's largest snack company, **Calbee Foods**, in return for transferring Frito-Lay Japan plus cash.

Another food giant on the move was Unilever, which acquired Russian ketchup and mayonnaise maker **Baltimor** with a factory near St Petersburg and sales of EUR70m.

Closer to home Hull wine merchant House of Townend bought Thirsk-based rival **Playford Ros**, after it had gone into administration, whilst Leicestershire bakery chain **Coombs Hampshires** was also bought out of administration by manager Adam Baxter.

NOM Dairy, whose President is former Müller MD Gerhard Schützner, opened a new £60m yogurt plant at Telford.

Bemis agreed to acquire the **Food Americas** flexible packaging operations of Alcan Packaging for \$1.2bn.

Midcounties Co-operative announced the purchase of seven stores across the Midlands from **The Co-operative Group**, six being former Somerfield stores.

Coffee shop and deli operator **Coffee Republic**, with 187 outlets, went into administration and was bought by Arab Investments, a London-based property investment firm.

It was reported that Czech bakery company, **United Bakeries**, was in discussion with a number of potential investors to fund future expansion.

Philippine food and drink group, San Miguel, announced it was interested in the Asian units of fruit and vegetable producer **Dole Food**.

Quoted UK cake maker **Finsbury Foods** terminated talks on a possible sale and saw its share price fall significantly.

Scunthorpe soups and sauces manufacturer **TSC Foods** completed a management buy-out backed by Key Capital Partners in a £24m deal (see *Rollits' food deals*).

Heather Mills, the ex-wife of Sir Paul McCartney, bought Corby-based **The Redwood Wholefood Company**, a vegan supplier to the health trade.

Duchy Originals agreed the sale of its Cornish bakery to a Samworth Brothers company.

Online food retailer **Ocado** announced it was close to raising £40m ahead of an anticipated 2010 stock market flotation.

Sara Lee announced the sale of three of its bakery plants in Spain to Grupo Siro, resulting from the difficult economic situation in Spain.

The impact of the recession also saw 137-year-old family-owned **Mathiesons Bakery** in Falkirk pass into the hands of Symphony Investment Fund; whilst March-based potato and fresh produce supplier **MBMG** went into administration.

August 2009

The month started with the board of buying group **Nisa-Today's** rejecting a takeover bid from logistics company Bibby Line Group, majority owners of Nisa's biggest member, Costcutter.

PepsiCo completed the purchase of **Pepsi Bottling Group** and **PepsiAmericas** (now called PepsiCo Bottling North America) for \$7.8bn, giving PepsiCo direct control of 80% of its US soft drinks distribution.

Naturex became the world's biggest independent botanical extracts supplier by acquiring the ingredients division of Spain's **Natraceutical** in return for a near 40% stake in Naturex.



ABF sold its Polish sugar subsidiary, **British Sugar (Overseas) Polska**, to the German sugar company Pfeifer & Langen Polska.

Ulster Bank acquired rights over a 15.9% stake in **Greencore** owned by property developer Liam Carroll.

Private equity group Silverfleet Capital announced a £186m buy-out of **Kalle**, the German sausage casings maker, from Montagu.

Brenntag UK purchased **Cargill's** glucose syrup business in the UK.

Magners' owner C&C agreed to buy **Anheuser-Busch InBev's** Irish and Scottish operations, including the Tennent's lager brand, for £180m.

Cumbrian Seafoods sold its **Grants Smokehouse** in Maryport to Jonathan Brown's Macknight Food Group, recent acquirors of **Organic Smokehouse** in Shropshire.

September 2009

William Jackson Food Group announced the closure of **Kwoks**, its Chinese ready meals business in Grimsby, which opened in 2000.

Organic Honeyrose Bakery acquired the assets of London baker **Greenwich Cakes**, which went into liquidation.

Shortly after PepsiCo's acquisition of Brazilian coconut drinks maker **Amacoco**, Coca-Cola bought a minority stake in coconut water business **Zico Beverages**.

Waitrose rescued the Prince of Wales' struggling food brand, **Duchy Originals**, which will now become the retailer's super-premium range.

Vion Food Group sold its Thai chicken business, **Grampian Foods Siam**, to Navis Capital, whilst in other poultry deals US chicken processor **Pilgrim's Pride** agreed to sell a majority stake to the Brazilian meat company JBS for \$800m and Cargill's **Seara Alimentos** was sold to Brazilian food group Marfrig for \$900m, including debt.

It was reported that major vegetable processor **China Minzhong**, majority

Month by month guide to mergers and acquisitions

owned by Singapore and US equity funds, might be put up for sale.

In Italy Verona bakery company Bauli acquired the Motta and Alemagna brands from **Nestle**.

Belfast family baker, **Millers Traditional Bakery**, sought a CVA under mounting debts, whilst **The Handmade Bakery Group** went into administration before being acquired by Handmade Speciality Products. Also in administration were confectionery companies **Mr Lucky Bags**, **Stockleys Sweets** and **Teepee Creative**, the last-named later being sold to Bon Bon Buddies.

Other companies bought out of administration were frozen babyfood company **Babylicious**, acquired by Scream Productions, and **Mrs Lam's** ethnic ready meals business, bought by SK Chilled Foods.

October 2009

Canadian Imperial Bank of Commerce and Apollo Global Management moved to take control of **Burton's Foods** from Duke Street Capital, who retain a minority, in a debt-equity swap.

Better news for the former Findus factory in Newcastle, which reopened as **Longbenton Foods** to make frozen fish fingers and crispy pancakes.

Japanese drinks group Suntory announced the purchase of French soft drinks company **Orangina Schweppes**, owned by Blackstone and Lion Capital, for EUR2.6bn. Lion Capital also instigated a sale process for **Kettle Foods**, bought in 2006 for \$270m.

Privately-owned Pepsi Bottling Ventures signed a letter of intent to acquire the **Conway-Myrtle Beach** Pepsi franchise bottler.

Shares in Icelandic seafood and delicatessen group **Alfesca** were delisted after a takeover by a consortium led by French agricultural co-operative Lur Berri.

French bakery company Jacquet announced it was buying **Créperie Lebreton** from millers Groupe Soufflet.

Tate & Lyle announced the sale of its minority stakes in sugar refineries in Egypt and Saudi Arabia to the Saudi group, Savola Foods.

Following the collapse into administration of **Wine Cellar** earlier in the month (with more than 100 stores being sold to EFB Retail), **First Quench Retailing**, owners of



Threshers, The Local, Wine Rack and Haddows, also went into administration and rapidly closed over 750 shops. 34 stores were bought by Barnsley-based R&M Swaine, owner of Rhythm & Booze.

Dutch food group Wessanen continued its programme of divestments with the sale of German frozen meat business **Karl Kemper** to management backed by private equity fund BPE. This was followed in November by its sale of US food importer **Liberty Richter** to World Fine Foods and in December by its sale of US organic business **Tree of Life** to Kehe Food for \$190m. In the same month Wessanen also sold its Italian frozen food business, **Righi**, to management.

Middlesborough's **Riverside Bakery** went into administration after 25 years as a wholesale bread baker before re-emerging as Tees Valley Bakery.

Anglo Beef Processors acquired **Chitty Food Group's** Guildford abattoir.

November 2009

Cobra Beer, bought earlier in the year out of administration by a joint venture between Lord Bilimoria and Molson Coors, announced plans to raise up to £4.5m to fund growth into India.

O'Brien's Irish Sandwich Bars was bought out of examinership by Impless, a new subsidiary of Irish fast food AIL Restaurant Group.

Northern Foods announced that it had shelved plans to close one of its biscuit factories.

Lighthouse Caledonia submitted plans for a £5m fish processing factory south of Stornoway.

Uniq continued to refocus on the UK by selling its chilled salads and fish businesses, Nadler in Germany and Lisner in Poland, to IFR Capital for £25.7m. Not long after, **Uniq** reported the sale of its Dutch businesses to Gilde Equity Management for EUR20m.

Family-owned Smales Group completed a management buy-out of its **3G Food Service** business, supplying the food service sector, led by MD Ben Smales (see *Rollits' food deals*).

Arla Foods UK announced plans for the UK's biggest liquid milk processing facility on the outskirts of London, subject to finalising a site. Later in November Arla amba bought **Fonterra's** 25% stake in its Anchor butter JV in the UK. In January Arla agreed to sell its 75% stake in **Claymore Dairies** in Nairn to management.

NBGI Private Equity backed a £13m MBI of **Pasta King** from management and Matrix Group (see *Rollits' food deals*).

Enterprise Investors agreed to buy **Profi Rom Food Group**, one of Romania's largest supermarket chains, for EUR66m.

Symrise acquired fragrance and flavours company **Futura Labs** to expand into North Africa and the Middle East.

Highland Spring agreed to buy the bottled water division of **Greencore** for an initial consideration of EUR11.2m (maximum EUR19.6m).

Birds Eye Foods, the largest frozen vegetable company in the US with sales of over \$930m, is to be acquired by Pinnacle Foods, owned by Blackstone, for \$1.3bn.

Staffordshire food ingredients company Regency Mowbray bought purée business **Lea Green Foods**, based in Wigan.

Nestlé Professional agreed to acquire **Vitality Foodservice**, a North American beverage supplier with a Florida HQ.

John Gibson and Keith Ellis led the acquisition by PoleStar Foods of the **Heinz** frozen desserts business with factories in Okehampton and Leamington Spa.

Magners producer C&C Group announced the purchase of **The Gaymer Cider Company** from Constellation Brands for £45m.

It was reported that Anheuser Busch InBev had terminated plans to sell German beer brand **Beck's** to Bain Capital for EUR1.7bn.

Hilton Food announced it will spend EUR22m on a new meat processing plant at Aarhus to supply Coop Danmark.

December 2009

Anheuser-Busch InBev completed the sale of its Central European operations to CVC Funds with an enterprise value of \$2.2bn and a contingent additional \$800m.

Month by month guide to mergers and acquisitions

Chocolate supplier and retailer, **The Chocolate Society**, went into administration.

Dairy Crest announced the closure of its milk bottling operation at Fenstanton and the following month announced the sale of its stake in **Wexford Creamery** to Wexford Milk Producers in a EUR9m deal.

Tulip, having closed its Bromborough cooked meats plant last May and consulting on the closure of its Peckham sausage facility, revealed plans for a new £12m sausage factory at Bromborough.

It was reported that Unilever is planning the sale of its Italian frozen food business, **Findus Italy**.

Dr Pepper Snapple announced a \$900m deal to license certain brands to Pepsico.

Danone said that it was buying out the remaining 45% of its **Clover** yogurt JV in South Africa for EUR100m.

Cargill agreed to buy the edible oils and fats business of Australia's **Goodman Fielder** for A\$240m.

The team originally behind Green & Blacks, including William Kendall, has invested in ambient apple juice company **Cawston Vale**.

Swiss cocoa and chocolate producer Barry Callebaut acquired Spanish chocolate maker **Chocovic**, with a factory near Barcelona, from Nederland Group.

Signalling a torrid time for some retail bakery chains, **North East Bakery**, with 13 Nichols shops and a Newcastle bakery, went into administration.

Nestlé ruled itself out of the battle to acquire Cadbury as it bought the North American pizza business of **Kraft** for \$3.7bn.

January 2010

US meat processor Smithfield Foods sold the assets of **RMH Foods** to the former owners and also **Maverick Foods** to Cofco, China's largest agricultural trading and processing company.

Sweet manufacturer **Tangerine Confectionery** announced a distribution deal with Australian Bulk Foods to supply Australian supermarkets.

Bonduelle were reported to be in negotiations to acquire **France Champignon**, the world's second largest mushroom group headquartered in Saumur, from Butler Capital Partners.

McCambridge announced the closure of Lisa Bakery in Oldham and the William Lusty site in Heywood. Also cutting jobs were **Vion**, reducing the workforce by half at Welsh Country Foods, its lamb processing plant in Wales. Meanwhile **Hain Celestial** transferred sandwich production from its site in London to its factory in Luton.

Big Bear, owners of Fox's Confectionery, Sugar Puffs and Harvest Chewee cereal bars, announced a planned float on AIM, but subsequently decided against pursuing it in the current economic climate.

After many months of hostilities, the **Cadbury** board finally recommended acceptance of an improved £11.7bn bid from Kraft to end 186 years of independence.

Brakes bought Leeds-based wholesaler **Freshfayre**, which turns over £23m, from private equity firm RCapital, owners of Little Chef.

Nichols, the makers of Vimto, bought the draft soft drinks dispenser **Ben Shaws**, bringing together the UK's two largest independent soft drinks dispensing businesses.

The largest supplier of eggs in the UK, Noble Foods, acquired a majority stake in **Gü Chocolate Puds** to add to its earlier purchase of Serious Desserts in South Wales in 2008.

Fish and chip chain **Harry Ramsden's** has been bought by the owner of 2 Sisters Food Group, Ranjit Singh Boparan, who had previously bought the best-performing Fishworks outlets.

February 2010

Nocton Dairies announced plans for the UK's biggest dairy with a herd of over 8,000 cows on more than 4,000 acres south of Lincoln.

Cooplands (Doncaster) worked closely with the unrelated Cooplands (Scarborough) to buy the majority of the retail bakery shops of Leeds-based **Ainsley's**, which went into administration in November (see *Rollits' food deals*). Country Style Foods bought the Ainsley's bakery and AW Food Services bought its sandwich van business.

Merger talks between Japanese food and drink producer **Kirin**, listed owner of Australia's Dairy Farmers and National Foods, and privately-owned **Suntory** were terminated after seven months.

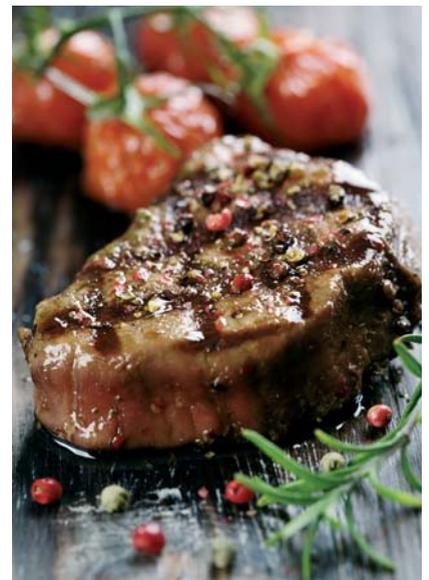
Bakery products company CSM agreed to acquire US bakery company **Best Brands** for \$510m.

Following the Cadbury acquisition, **Kraft** confirmed the closure of its Somerdale factory near Bristol with the loss of up to 400 jobs.

Greencore announced the sale of its malt business to Axéreal Union De Coopératives Agricoles for up to EUR116m and later in the month revealed 100 likely redundancies at its Hull cake factory.

AIM-listed snacks and confectionery group **Glisten** has been bought by Finnish food company Raisio Group, producer of Benecol, for just under £20m plus debt.

Harrisons Poultry, a poussin supplier turning over £7m, went into administration.



Pernod Ricard agreed to sell certain Swedish and Danish assets, including some wine and spirits brands, to Finnish state-owned Altia for EUR82m.

Kettle Foods was bought by Diamond Foods for \$615m.

Stabilised rice bran company **NutraCea** has agreed to sell its cereal ingredients business to global ingredients company Kerry for around \$4m.

The long-debated future of French cheesemaker **Entremont Alliance** may be reaching a conclusion after dairy group Sodial made a formal bid.

Good news from Singaporean-owned **Daniels Group** with the re-opening of a former Bakkavor chilled foods site at Grimsby to produce soups and ready meals, creating 200 new jobs.

Rollits' food deals

- Rollits' Senior Partner Steve Trynka advised the vendors on the sale of **TSC Foods** to management, led by new MD Jonathan Skofic and backed by Key Capital Partners, in a £24m deal completed in July 2009.

TSC is a leading manufacturer of soups and sauces for both retail and food service, based in Scunthorpe.

Rollits Food Group Director, Julian Wild, had advised Bill Morran and his fellow shareholders on their own management buy-out of TSC in 2006.

Jonathan Skofic said: *"The company's existing management team has done a tremendous job in driving TSC to its current, market-leading position."*

- Long-established Hull fish business The Smales Group completed the sale of its **3G Food Service and Seafood Solutions** businesses in November 2009 to a management buy-out team led by 3G Managing Director, Ben Smales, and also including Fiona Smales, Alex Smales and Andrew Stedman.

3G has its own national distribution centre in Hull and supplies many well-known food service customers like La Tasca and Wagamama. 3G was advised on the acquisition by Rollits' Senior Partner, Steve Trynka.

Ben Smales commented: *"Despite the difficult economic climate, we continue to expand and achieve excellent results."*

The improvements we have made so far demonstrate our total commitment to providing a great service to all our customers, both group and independent, and we look forward to driving 3G Food Service and Seafood Solutions to further success and expansion in the future."

- Rollits' Corporate Partner, Nasim Sharf, advised Michael Cole (new Chairman) and Howard Farquhar (new Managing Director) in relation to their £13m management buy-in of **Pasta King (UK)**, backed by NBGI Private Equity, also in November 2009.

Pasta King, based in Newton Abbot, Devon, provides meal solutions served hot from pasta bars that are loaned out free-of-charge to customers and has become very popular in secondary schools.

Rollits' Food Group Director, Julian Wild, has known Michael Cole for over 20 years and he and Nasim Sharf had worked with Michael and Howard on a previous transaction.

Julian Wild echoed the sentiments of NBGIPE Director Richard Morley in saying: *"Mike Cole and Howard Farquhar are a high quality team and they had great success in an earlier investment in sandwich manufacturer Brambles Foods, also backed by NBGIPE. We know them well and we were delighted to be asked to advise the management on this transaction."*

- Rollits played an unusual role in the acquisition of the majority of the **Ainsley's of Leeds** retail bakery shops after the family-owned business had gone into administration.

Rollits act as legal advisers to two unrelated retail bakery businesses, Cooplands (Doncaster) and Cooplands (Scarborough), both of which were interested in different parts of the Ainsley's shop portfolio.

Rollits' Food Group Director, Julian Wild, working with Corporate Partner Nasim Sharf, property colleagues Glenn Craft and Chris Crystal, and employment solicitor Ed Jennesson, brought the two Cooplands businesses together to acquire 20 of the 29 Ainsley's leasehold outlets in West Yorkshire. Each Cooplands company acquired 10 shops.

Through the various disposals negotiated by administrator Grant Thornton, most of the 285 jobs at Ainsley's were secured.

Julian Wild commented: *"Acquiring parts of businesses in administration is never easy and we needed to show the administrator that our proposition was better value for the creditors than other competing bids. By bringing together our two Cooplands clients, we were able to put forward a winning offer which produced a good result for our clients, the creditors and the staff. Our experience of working with Cooplands (Scarborough), when they acquired the Hull bakery business Skeltons in administration, proved very useful in concluding this deal smoothly and on time."*

Rollits again sponsors Champion award at dazzling dinner

Our photograph shows Rollits' Food Group Director, Julian Wild (second left), after presenting the Champion award to Stephanie Moon at the fifth annual **deliciouslyyorkshire** awards dinner at Rudding Park, Harrogate, on 9 November 2009. This was the fourth year that Rollits have sponsored an award at this glittering event, which showcases the best of Yorkshire and Humber food and drink.

Stephanie Moon is chef consultant at Rudding Park and chef tutor at Leeds City College (Thomas Danby campus). Stephanie had cleverly designed the menu for the dinner along with Rudding Park's head chef Stephen Ashburn, using local produce from the award-nominated businesses.

On the night there were 20 award winners announced by BBC Radio 2 resident foodie Nigel Barden (far right), BBC Look North's Christa Ackroyd (second right) and Regional Food Group chief executive Jonathan Knight (far left). Food & drink writer Elaine Lemm chaired the judging panel.



"These fantastic awards get bigger and better every year and prove what a show-stopper Yorkshire food and drink is – innovative, exceptional in quality and, of course, delicious!" remarked Nigel Barden.

Rollits advise on successful GreenPalm certificate trading programme



GreenPalm is a certificate trading programme designed to tackle the environmental and social problems created by the production of palm oil. Exclusively endorsed by the Roundtable on Sustainable Palm Oil (RSPO), the Greenpalm programme is based on the principle that the best way to encourage people to work in a sustainable and responsible way is to reward them for doing so.

Rollits' Commercial Partner Keith Benton said: "We advised Book&Claim Limited in setting up the GreenPalm programme, which has proved to be a great success and is operating worldwide. Producers of palm oil are able to sell certificates representing palm oil production on the GreenPalm web-based trading platform. The proceeds of sale of the certificates are used to increase the production of palm oil in an environmentally friendly and sustainable manner."

Ian McIntosh, President – West Division of AAK, commented: "Palm oil production is critical to both the international food industry and developing world economies. GreenPalm provides a workable solution to enable the funding and promotion of sustainable palm in the developing world and in turn encourages the long-term goal of sustainable palm becoming the only acceptable source of palm oil."

Further information is available at www.greenpalm.org

News bites

Protected names get fishy!

Rollits' Julian Wild has been interested in the subject of Protected Geographical Indications since first involved in the hotly debated PGI for Melton Mowbray Pork Pie, which finally gained approval last June.

One of the latest products to gain its PGI registration after a nine-year wait is Traditional Grimsby Smoked Fish under EU Commission Regulation 986/2009 on 21 October 2009. The following month Cornish Sardines also made it to the register under Regulation 1182/2009.

Honei Project offers sweet solution to functional food

The Hull York Medical School at the University of Hull is launching a new functional food initiative called The HONEI (Humber Obesity, Nutrition, Education and Innovation) Project on 19 March 2010 and has support from Rollits Food Group. The University's Functional Food Centre aims to be the first institution in the UK looking at food and its relationship to disease, whilst linking multidisciplinary healthcare expertise to the needs of the food industry.

Professor Steve Atkin, Head of Academic Endocrinology, Diabetes and Metabolism, outlined the Honei Project concept: "We have applied all of our expertise in doing clinical trials for pharmaceutical companies to those of the food industry, with many businesses coming to us to get the data necessary for European Food Safety Authority (EFSA) accreditation to substantiate their health claims. This is up and running now and we are planning to expand into cutting edge facilities."

For more information visit www.honei.co.uk

Grocery supply code now in force

A new Groceries Supply Code of Practice came into force on 4 February 2010 to prevent supermarkets from abusing their



dominant position and help suppliers achieve a fairer deal when doing business.

Some of the measures in the code include: banning supermarkets from altering supply terms retrospectively or asking suppliers to fund promotions; requiring supermarkets to keep written records of all supplier negotiations; and the appointment of compliance officers in supermarkets.

The code of practice covers all grocery retailers with annual sales over £1billion, instead of just the 'big four' covered in previous codes, and is implemented as a result of the Competition Commission Groceries Market Inquiry.

The government has begun a twelve week consultation on the creation of a Grocery Ombudsman.

Information

If you have any queries on any articles in this newsletter please contact: Julian Wild on +44 (0) 1482 337304 or email julian.wild@rollits.com

This newsletter is for the use of clients and will be supplied to others on request. It is for general guidance only. It provides useful information in a concise form. Action should not be taken without obtaining specific advice. We hope you have found this newsletter useful. If, however, you do not wish to receive further mailings from us, please write to Mrs. Pat Coyle, Rollits, Wilberforce Court, High Street, Hull HU1 1YJ.

The law is stated as at 8 March 2010.

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