European Commission - Press release





Commission proposes new measures to strengthen farmers' position in the agri-food supply chain and enhance cross-border enforcement against unfair trading practices

Brussels, 10 December 2024

Today, the European Commission proposes targeted amendments to the current legal framework set in the Regulation establishing a common market organisation of agricultural products (CMO) and a new Regulation on cross-border enforcement against unfair trading practices. These proposals aim to strengthen farmers' position and restore the trust between actors in the agri-food supply chain. Both proposals directly reflect several recommendations of the Strategic Dialogue on the future of EU agriculture and respond to some of the most pressing challenges that the agricultural sector faces.

Improving the position of farmers in the agri-food supply chain and supporting their income are important objectives of the <u>common agricultural policy</u> (CAP). Today's targeted amendments specifically aim to strengthen farmers' position in the agri-food supply chain and to achieve a higher degree of trust between actors by:

- enhancing rules for contracts between farmers and buyers, making written contracts a general obligation and improving the way long-term contracts take into account market developments and fluctuations of costs and economic conditions;
- making the establishment of mediation mechanisms between farmers and their buyers mandatory;
- boosting <u>producer organisations</u> and their associations by improving their bargaining power, allowing Member States to grant them more financial support under CAP sectoral interventions, and simplifying the rules on their legal recognition;
- allowing the EU to financially support producer organisations that would take private initiatives to manage crises;
- defining when optional terms like "fair," "equitable," and "short supply chains," can be used to describe the organisation of the supply chain when marketing agricultural products;
- expanding the possibility for farmers and other actors to agree on sustainability initiatives with certain social dimensions, such as supporting generation renewal, preserving the viability of small farms or improving working conditions of farmers and farm workers.

In parallel, the Commission proposes new rules on cross-border enforcement against the unfair trading practices in the agricultural and food supply chain prohibited by the so-called UTP Directive. On average, around 20% of the agricultural and food products consumed in a Member State come from another Member State. There is a need to enhance the cooperation of national enforcement authorities, notably by improving the exchange of information, investigations, and collection of penalties.

Today's proposal on cross-border enforcement against unfair trading practices will further strengthen the enforcement against unfair trading practices in business-to-business relationships in the agricultural and food supply chain by supporting transnational enforcement. The proposal introduces procedural rules on how this cooperation in cross-border cases would be performed and achieved. By setting up a **mutual assistance mechanism**, national enforcement authorities will have the possibility to ask and exchange information and request another enforcement authority to take enforcement measures on their behalf. This approach allows enforcement authorities to agree on launching a **coordinated action** whenever there is reasonable suspicion of widespread unfair trading practices with a cross-border dimension. Such investigations enhance EU-level protection for farmers and small and medium-sized suppliers against unfair trading practices in the agri-food supply chain.

President **von der Leyen** said: "As the festive season approaches and families gather to share meals, we are reminded of the dedication of farmers who make these moments around the table possible. Fairness for farmers is a key priority. Decent income, fair prices, stronger bargaining position in the food chain, and better protections. That is why, as one of the first measures of this mandate, I am proud to announce proposals that will strengthen their competitive position."

Delivering on our commitments

There are more actions delivered by the European Commission following its commitment to address farmers' concerns. On 22 February, the Commission presented its <u>first actions for simplification</u> to reduce the administrative burden for EU farmers in a lasting way. On 15 March, it presented its proposal for <u>a targeted review of the common agricultural policy</u>, which entered into force on 25 May after successfully being approved by the Council and the European Parliament. Today, the Commission also <u>publishes</u> an **overview of the targeted CAP simplification measures** introduced since the beginning of the year, reporting on progress in their implementation and assessing their economic, social and environmental impact. **Overall, the simplification package has helped EU farmers by reducing paperwork, saving time, providing legal certainty, and offering greater flexibility in managing their farms.**

Also in March, the Commission put forward a reflection paper with possible pathways to enhance the position of farmers in the food supply chain following the call from the European Council to act on the challenges that the agricultural sector is currently facing. In April, the Commission adopted a report on the implementation of EU rules against unfair trading practices in the food supply chain and launched the new EU Agri Food Chain Observatory (AFCO). The latter held its first meeting in July to improve trust and cooperation within the agri-food supply chain. Furthermore, in the interest of increased trust and fairness along the food supply chain, the Commission is also surveying farmers and suppliers across the agricultural food supply chain in all Member States to evaluate these ongoing measures. Responses are open until 20 December 2024.

The Commission's proposed targeted legislative amendments to the CMO and the proposed new Regulation on UTP cross-border enforcement will now be discussed by the European Parliament and the Council in view of their adoption.

In parallel to today's proposals, the Commission has taken further steps to support the agricultural sector. The Commission has also <u>adopted</u> an <u>amendment</u> of the <u>'de minimis'</u> Regulation for the <u>agricultural sector</u>, which exempts small amounts of support in the agricultural sector from State aid control. The revised Regulation allows Member States support farmers to a larger extent in a simple, fast, direct and efficient manner, as such *de minimis* support does not need to be notified to nor approved by the Commission.

For more information

Proposal on amending Regulations (EU) No 1308/2013, (EU) 2021/2115 and (EU) 2021/2116 as regards the strengthening of the position of farmers in the food supply chain

Proposal on cooperation among enforcement authorities responsible for the enforcement of Directive (EU) 2019/633 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain

Speech by President von der Leyen at the European Agri-Food Days via video message

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Agricultural and Food Supply Chain - Unfair Trade Practices (UTPs) - 5th wave

IP/24/6321

Quote(s):

"As the festive season approaches and families gather to share meals, we are reminded of the dedication of farmers who make these moments around the table possible. Fairness for farmers is a key priority. Decent income, fair prices, stronger bargaining position in the food chain, and better protections. That is why, as one of the first measures of this mandate, I am proud to announce proposals that will strengthen their competitive position"

Ursula von der Leyen, President of the European Commission - 10/12/2024

"Today's proposals deliver on my commitment to further strengthen the position of farmers in the agri-food chain. Farmers deserve to make a fair living from their work. These targeted amendments will benefit farmers by strengthening contracts, boosting and simplifying cooperation between farmers, promoting voluntary cooperative initiatives in favour of sustainability, and guaranteeing that farmers really benefit from initiatives marketing fair and short supply chains to consumers. Moreover, improving exchanges between national enforcement authorities will be key to effectively address unfair trading practices and ensure fair treatment for farmers and smaller agri-food actors across the EU."

Christophe Hansen, Commissioner for Agriculture and Food - 10/12/2024

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