

Unfair trading practices in the food supply chain

Published by AGRINFO on 05 Mar 2023; Revised 18 Sep 2024

Report from the Commission: Implementing the prohibition of unfair trading practices to strengthen the position of farmers and operators in the agricultural and food supply chain – State of play

Questionnaire to suppliers in the agricultural and food supply chain on unfair trading practices (UTPs)

What is changing and why?

The European Commission has now completed its 2024 <u>survey</u> collecting the experiences of operators in the food chain regarding UTPs.

A Commission <u>report</u> evaluating the EU Unfair Trading Practices (UTP) Directive, published in April 2024, found that:

- a large majority of EU Member States have set a level of protection against UTPs that is higher than the minimum required by the Directive
- in 2023, around 1500 investigations were opened
- 269 infringements were detected (about 27% of the closed investigations), leading to financial sanctions totalling over €22 million
- the most frequently detected UTP was late payments
- 41% of the detected UTPs occurred at retail level, 36% during processing, and 22% at the wholesale level.

The Commission's fourth <u>survey</u> (2023) found that:

- 75% of respondents to the survey have experienced at least one UTP, with 11% experiencing more than five UTPs
- UTPs were most often experienced in the context of sales to wholesalers (40%), followed by retailers (38%), and commodity traders (26%)
- the UTP most frequently experienced was late payments; others were the buyer's refusal to
 provide written confirmation of a supply agreement; passing on costs to suppliers related to
 deterioration of food at the buyer's premises; and suppliers being required to bear the costs
 of discounts on promoted products
- 35% of respondents have never raised UTPs with buyers, and 66% have never addressed these issues with public enforcement authorities





THE LATEST ON EU AGRI-FOOD POLICIES IMPACTING LOW-INCOME & MIDDLE-INCOME COUNTRIES

27% of respondents do not raise UTP issues because they fear retaliation by the buyer, and
 21% because they are unaware that public bodies can handle the issues.

Actions

If food suppliers in non-EU countries have experienced any of the UTPs listed in Directive 2019/633, they are encouraged to gather and submit information to the annual UTP surveys, for example through representative trade bodies.

Timeline

The fifth <u>survey</u> closed on 17 December 2024. The European Commission will carry out a more detailed evaluation of the UTP Directive in 2025 to assess its effectiveness, and possibly refine its scope and enforcement mechanisms.

For more information see the <u>full record</u> on the AGRINFO website – where you can also view the latest <u>AGRINFO Update</u> newsletters and <u>search</u> the database.

Disclaimer: Under no circumstances shall COLEAD be liable for any loss, damage, liability or expense incurred or suffered that is claimed to have resulted from the use of information available on this website or any link to external sites. The use of the website is at the user's sole risk and responsibility. This information platform was created and maintained with the financial support of the European Union. Its contents do not, however, reflect the views of the European Union.

