



Unfair trading practices in the food supply chain

Published by AGRINFO on 05 Mar 2023; Revised 10 May 2024

Regulation

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

Food Chain - UTP - survey results

What is changing and why?

A new European Commission <u>report</u> evaluating the EU Unfair Trading Practices (UTP) Directive has 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> collecting the experience of operators in the food chain regarding UTPs 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%)
- Late payments were the UTP most frequently experienced; 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





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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 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.

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