

Brussels, 23 January 2025
(OR. en)

5615/25

AGRI 25
AGRIORG 13

NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	AOB item for the meeting of the “Agriculture and Fisheries” Council on 27 January 2025 The need to better combat unfair trading practices and to prevent the abuse of a dominant position by certain actors in the food supply chain - Information from Slovakia supported by Bulgaria, Croatia, Hungary, Lithuania, Romania and Slovenia

The EU Directive 2019/633 on unfair trading practices (UTPs) in the agricultural and food supply chain provides certain level of protection against unfair practices and its adoption represents a significant shift in the solution of UTPs.

However, UTPs and the abuse of a stronger negotiating position by dominant entities against economically weaker actors continue to occur. Therefore, we consider it necessary to **further improve and extend the scope of the respective EU legislation.**

First and foremost, there is a need to **increase the protection of all economically weaker actors in the food supply chain – farmers, but also processors and food producers.** To ensure their better protection, it is necessary to further work on the specification of other UTPs that could be prohibited, in particular those that will contribute to fair profit sharing within the whole food supply chain.

Farmers, but also regional food producers, still do not have sufficient bargaining power to defend themselves against economically stronger buyers and it is very hard for them to influence the price formation. Having in mind farmers' deteriorating living and working conditions and with the agricultural income remaining below the average for the rest of other economic sectors, it is **unacceptable that farmers and food producers are forced to sell their products below production costs.**

As also acknowledged by the President of the European Commission Ursula von der Leyen, farmers need to be in a stronger bargaining position towards the price makers. Their hard work deserves to be rewarded and it cannot happen that farmers sell their products at the price lower than their production costs. With this practice, farmers do not make a profit and are often thinking whether to continue the production, or not.

At the same time, it is also important to **increase the protection of the final consumer against the abuse of the position by dominant entities.** Every EU resident - regardless of which Member State they live in - should have equal access to food of the same quality and under the same conditions in the EU single market. Multinational food corporations, however, apply different pricing strategies in different countries with the aim of maximizing their profit. This has a negative impact not only on their business partners, but also on consumers. Consumers' decisions should not be distorted by the selective pricing strategies of dominant entities, which are often set without a real economic basis. Such unfair practice leads to uneven division of margins, which is unacceptable.

In this regard, we expect the Commission to lead consultations with farmers and other stakeholders and to listen to their voices of concern. In further legislative amendments, the Commission should focus on prohibition of such UTPs, which will help to ensure **adequate and fair division of profit** with the aim to provide stability and sufficient resources for investments and innovations to all actors in the food supply chain.