



# Transparency and fairness along the food supply chain: A policy perspective

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*3 December 2020*

# Our Mandate: the Treaty on the Functioning of the European Union

## *Article 39*

*(ex Article 33 TEC)*

1. The objectives of the common agricultural policy shall be:
  - (a) to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour;
  - (b) thus to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture;
  - (c) to stabilise markets;
  - (d) to assure the availability of supplies;
  - (e) to ensure that supplies reach consumers at reasonable prices.

# (Some of) Our Instruments

- Several policy initiatives to improve fairness and transparency on agri-food markets
  - Regulation 1308/2013 establishing a common organisation of the markets in agricultural products
  - Directive (EU) 2019/633 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain
  - Market monitoring
  - **New** regulatory measures to improve market transparency in the agri-food supply chain
  - Forecasts & Projections

# Common Organisation of the Markets

- Objective: strengthening farmers' collective bargaining power
- EU supports farmers who wish to work together → producer organisations (PO) and associations of producer organisations (APO)
- EU also supports those that wish to work with their partners from the manufacturing and trading side of the food supply chain → interbranch organisations (IBO)
- ~11 million farmers in the EU, ~3500 recognised POs, 52% in fruit and vegetables sector
- Recent study on POs: general overview of the numbers, legal forms and types of activities carried out by POs, as well as incentives/disincentives to create POs and impact of POs on their members and the food supply chain (see <https://op.europa.eu/en/publication-detail/-/publication/86c14802-eef6-11e9-a32c-01aa75ed71a1>)

# Directive on Unfair Trading Practices

- Protects weaker suppliers against stronger buyers (B2B) from UTPs occurring in the agricultural and food supply chain
- Follows minimum harmonisation approach (MS can go beyond and be stricter)
- Protects against 16 specific unfair trading practices (10 black / 6 grey)
- Provides for minimum enforcement power – MS authorities can act upon a complaint or *ex officio*, investigate, terminate infringement, levy fines and impose other penalties, publish decisions
- Foresees coordination between MS authorities

# Directive on Unfair Trading Practices

- 10 “black” UTPs - prohibited, whatever the circumstances:
  - Payments later than 30 days for perishable agricultural and food products
  - Payment later than 60 days for other agri-food products
  - Short-notice cancellations of perishable agri-food products
  - Unilateral contract changes by the buyer
  - Money not related to a specific transaction
  - Risk of loss and deterioration transferred to the supplier
  - Refusal of a written confirmation of a supply agreement by the buyer, despite request of the supplier
  - Misuse of trade secrets by the buyer
  - Commercial retaliation by the buyer
  - Transferring the costs of examining customer complaints to the supplier

# Directive on Unfair Trading Practices

- Adopted on 17 April 2019, entry into force on 30 April 2019
- First **annual** survey to suppliers launched (open until 31 January 2021):  
[https://ec.europa.eu/eusurvey/runner/UTPs\\_Baseline\\_Survey](https://ec.europa.eu/eusurvey/runner/UTPs_Baseline_Survey)
- Anonymised results will be published at the JRC portal:  
[https://datam.jrc.ec.europa.eu/datam/mashup/FOODCHAIN\\_UTP/index.htm](https://datam.jrc.ec.europa.eu/datam/mashup/FOODCHAIN_UTP/index.htm)
- Member States have until 1 May 2021 to transpose it into national law
- Directly applicable as of 1 November 2021
- Existing contracts will have to adapted by 1 May 2022
- Evaluation scheduled for 2025



**A while before we can assess its effects on the market**

# Market monitoring and transparency

- EU **monitors** the price situation and the market outlook for agricultural commodities and food
- And **makes the information available** on its agri-food data portal and EU market observatories

## Facts and figures

The presentation of data and facts on wide ranging topics, such as markets, trade, farm structures, rural areas and the performance of the CAP.

### Agri-food data portal

Data on national and EU agriculture and the common agricultural policy.

### Markets

Monitoring the price situation and the market outlook for agricultural commodities and food.

### Farms, farming and innovation

Information on farm economics and structures, farming methods, sustainability, quality, research and innovation.

### Performance of agricultural policy

Reviewing the performance of the common agricultural policy through indicators, evaluation, studies and reports, and distribution of income support.

### Financing

Figures on the CAP budget and expenditure from the European agricultural guarantee fund (EAGF) and European agricultural fund for rural development (EAFRD)

### Rural areas

Overview of both the primary sector, such as economic growth, poverty and population, and also further details on jobs and growth in rural areas.

# Baseline

- Data available at agri production stage, but downstream scarce
- Data available on prices and (some) quantities
- For some products, all MS report; for others, only if above certain thresholds
- Operators report to MS; MS verify and transmit to the Commission
- No coordination mechanism; platform for exchange of best practices
- Dissemination through Commission systems (dashboards, agri-food data portal, observatories, etc.)

# Price monitoring for tomatoes for fresh consumption

- Legal basis: Art. 223 Reg 1308/2013

*“For the purposes of [...] monitoring, analysing and managing the market in agricultural products, ensuring market transparency, the proper functioning of CAP measures, checking, controlling, monitoring, evaluating and auditing CAP measures [...], the Commission may [...] adopt the necessary measures regarding communications to be made by undertakings, Member States and third countries.”*

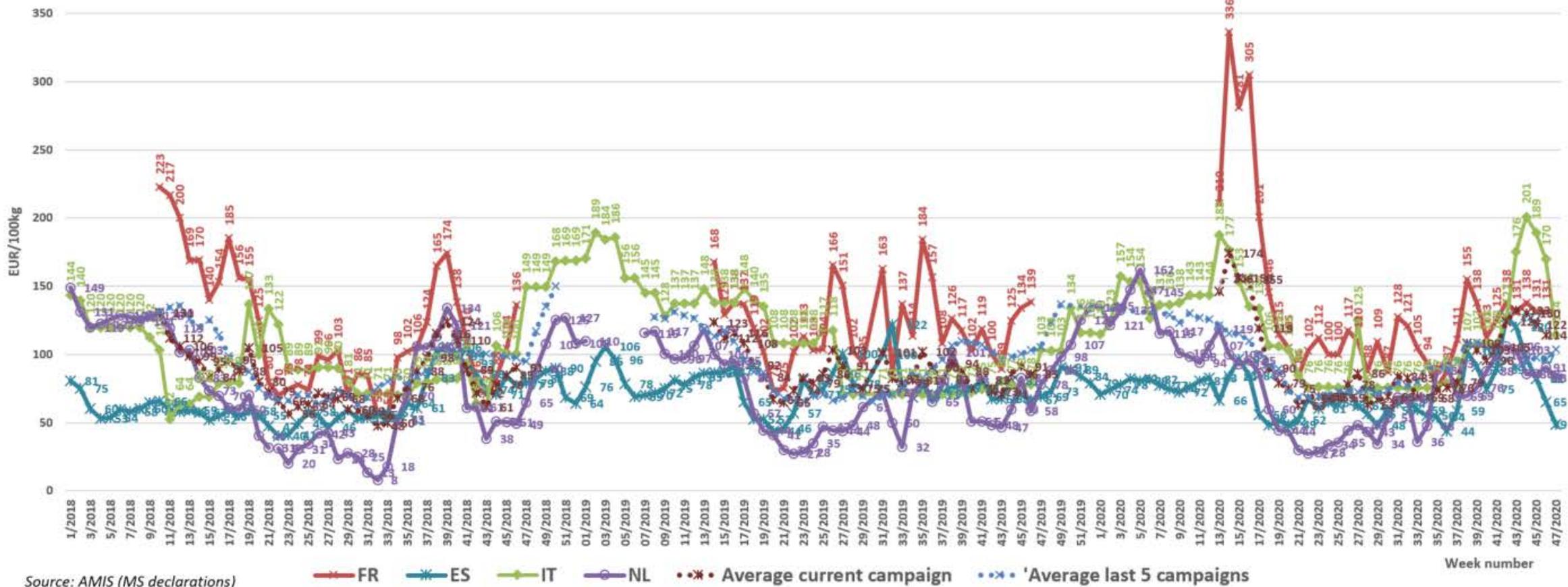
- Art. 55 Delegated Regulation 2017/891 & Annex IV
  - Notifications by MS of producer prices on internal market, « *where data are available* »
  - Weekly / Class I marketing standards / Varieties: Round, trusses, cherry / Sorted & packaged: “Ex-packaging station” / Representative markets identified by MS

# Price monitoring for tomatoes for fresh consumption

Product	Type/variety	Presentation/size	Representative Markets
Tomatoes	Round	Size 47-67 mm, in bulk, in packages of 5 or 6 kg	Belgium
	Truss	All kinds of trusses but only if the average size of the individual tomatoes is 47 mm or above 47 mm each, in packages of 5 or 6 kg	Bulgaria Germany Greece
	Special / Cherry	Loose or truss tomatoes, special tomatoes, if only the average size of the individual tomatoes is below 47 mm, in packages of around 250-500 g	Spain France Italy Hungary Netherlands Poland Portugal Romania

# WEEKLY PRICES - WEEK 47/2020

Weekly prices - TOMATOES  
ESP,IT,NL,FR (main producers of tomatoes)



Source: AMIS (MS declarations)

FR ES IT NL Average current campaign Average last 5 campaigns



## DG AGRI - Monthly Market Prices



Last update: 01/12/2020

MS: 14 of 30 Category: Fruit and vegetables - Sector Code: FRL - Product: Tomatoes Round - €/100 kg net weight

Min in month Max in month

Year/Month	EU	BE	BG	CZ	EL	ES	FR	HR	IT	HU	NL	PL	PT	RO
2020/11	92	78	138		124	78	125	91		81		90	38	108
2020/10	102	106	109		97	98	124	89	112	55		71	53	77
2020/09	83	83	75	192	63	74	121	79	93	60		58	71	56
2020/08	66	35	76	169	59	54	100	66	75	69		40	82	55
2020/07	65	39	79	167	58	54	101	65	73	59		51	78	42
2020/06	70	38	108		66	64	108	76	75	79		46	71	50
2020/05	79	38	129		56	55	106		95	101		210	70	52
2020/04	110	87	148		68	74	226		143	139		122	70	
2020/03	105	165	175		61	76			158	200		99	77	
2020/02	100	158	104		80	74			137	233			80	
2020/01	103	159	108		95	73			140	226		100	90	
2019/12	90	128	106		68	78			110	135		100	100	
2019/11	78	80	111		59	71	129	76	79	93	69	89	100	32
2019/10	70	67	117	117	64	71	106	78	66	53	43	57	100	35
2019/09	75	87	88	116	55	72	131	80	68	56	76	56	100	34
2019/08	81	79	91	105	75	84	136	86	70	90	70	53	70	60
2019/07	83	76	91	102	85	86	132	83	70	92	63	85	66	59
2019/06	79	48	86		50	72	116	76	110	80	43	58	65	46
2019/05	78	43	119		60	52	95	95	122	85		67	66	93
2019/04	108	88	174		102	78	133	135	145	136		119	66	
2019/03	108	150	186		91	81			150	259			64	
2019/02	104	140	82		91	71			150	323			70	
2019/01	117	150	68		91	85			170	186			72	

The table presents price figures for the EU excluding the UK. For periods prior to 01/02/2020 the UK can be added from the Member States drop down list.

# Market Observatories

- Objective:
  - Market transparency – Dissemination data & analyses
  - Tackle price volatility – Make informed decisions
  - Monitoring market crises – Russian ban, COVID-19
- Tools: Economic Board / Dedicated webpage / Dashboards / Statistics (production, prices, trade) / Reports, minutes, presentations / Outlook information (Short Term, Medium Term)
- Expert group, divided in 4 subgroups (pip fruit, citrus fruit, stone fruit and tomatoes), established in fall 2019
  - Member organisations operating in EU in F&V supply chain / 16-19 experts per sub-group
  - Role: advice on economic factors affecting market developments / inform about market situation including data / highlight and assess the current market situation

## Fruit and vegetables market observatory – tomato subgroup

List of expert group meetings, agendas and reports.

### PAGE CONTENTS

#### Expert group meetings

2020

2019

#### Reports

#### Related links

### Expert group meetings

A list of dates for the meetings of the economic board of the fruit and vegetables market observatory subgroup on tomatoes.

#### 2020

##### 9 October



Agenda – F&V market observatory tomato subgroup – 9 October 2020  
English (158.7 KB - PDF)

[Download](#)

Meeting report – F&V market observatory tomato subgroup – 9 October 2020  
English (186.2 KB - PDF)

[Download](#)

Presentations – F&V market observatory tomato subgroup – 9 October 2020  
English (10.5 MB - ZIP)

[Download](#)

# Meeting of the Market Observatory – Tomato Subgroup – 9 October 2020

- **Processed tomatoes estimation for R2020:**

- Total EU: 9.9 million tonnes / Total world: 38 million tonnes
- Discussion on macro market trends and sector-specific perspectives & issues

	Average 2015/2019	2019 FINAL	ESTIMATION FINAL 2020	VARIATION 2020 vs 2019	VARIATION 2020 vs average 2015- 2019
<b>European Union</b>	10.753	<b>10.343</b>	<b>9.933</b>	<b>-4,0%</b>	<b>-7,6%</b>
<b>Other Countries</b>	27.252	<b>27.032</b>	<b>28.349</b>	<b>4,9%</b>	<b>4,0%</b>
<b>GENERAL TOTAL</b>	37.823	<b>37.375</b>	<b>38.282</b>	<b>2,4%</b>	<b>1,2%</b>
<b>% UE</b>	<b>28,4%</b>	<b>27,7%</b>	<b>25,9%</b>		

Source: World Processing Tomato Council

# New market transparency measures

- Calls on the Commission to address the issue of lack of transparency and information asymmetry in all levels of the food supply chain
- Amended Regulation 2017/1185 on market transparency adopted on 1 October 2019, applicable as of 1 January 2021
- Puts in place a system of price collection along the food supply chain, for representative prices, and not only selling prices but also buying prices
- Threshold at MS level: *“Unless otherwise specified, Member States concerned are those producing or using more than 2 % of the total Union corresponding production or use, except for organic products, for which the threshold is 4 % of the production.”*
- MS define the methodology for data collection + can delegate to operators the transmission of information
- Coordination mechanism between MS and stakeholders

# Benefits

- Agricultural producers and other operators in the food supply chain (FSC)
  - Increased production efficiency – more fluid FSC
  - Better risk management – more resilient FSC
  - Manage price volatility – more stable FSC
  - Increased trust – more effective FSC
- Public authorities
  - Reduced need for public intervention (e.g. less volatility)
  - More informed public policy
  - Better preparation and response to crisis
  - Improved enforcement
  - Multiplier effect
- Others - Consumers; researchers; environmental benefits.

# What's new for processed tomatoes?

Regulation 2017/1185, Annex II, Section 8 “Fruit and vegetables, bananas”:

**(c) Farmgate prices**

*Content of the notification:* representative prices of tomatoes, apples and oranges intended for processing. All prices expressed per 100 kg of product.

*Period of notification:*

(a) for tomatoes, by 31 January the following year;

(b) for apples and oranges, by the 25th each month in respect of the previous calendar month.

*Other:* prices shall be at farmgate and products harvested.

# Forecasts and projections

- Short-term outlook
  - Published 3 x year (early spring, early summer and early autumn)
  - [https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/markets/outlook/short-term\\_en](https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/markets/outlook/short-term_en)
- Medium-term outlook
  - Published 1 x year
  - Average trend agricultural markets are expected to follow until 2030 in a given macroeconomic environment were policies to remain unchanged
  - Based on assumptions regarding macroeconomic conditions, the agricultural and trade policy environment, weather conditions and international market developments
  - [https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/markets/outlook/medium-term\\_en](https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/markets/outlook/medium-term_en)



# Thank you



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