

Fairness in the food supply chain: Commission proposes to increase price transparency

Having [banned unfair trading practices](#) and [improved producer cooperation](#), the Commission is today presenting the third element to improve fairness in the food supply chain by introducing greater transparency in the way prices are reported throughout the chain.

The European Commission today tabled a proposal that will make available crucial information on how prices are determined as agri-food products move along the food supply chain.

Buying and selling price differences can provide information about intermediary costs (such as transport, insurance, storage, etc.) between seller and buyer. Greater transparency can support better business decisions and improve trust in fair dealing between the stages in the food supply chain. Having access to timely and easily accessible information about market developments is also key to compete effectively in global markets.

Agriculture and rural development Commissioner Phil **Hogan** said:
"Strengthening the position of farmers in the food supply chain has been a priority for the Commission. Enhancing market transparency will allow equal access to and greater clarity about price information, making our food chain fairer and better balanced. These new rules will complement the recently adopted directive banning unfair trading practices in empowering weaker and smaller actors of the food supply chain and their introduction reflects the very significant public support that there is throughout the EU to strengthen the role of farmer in the food supply chain."

While there is a large amount of information available about developments in agricultural markets (prices, volumes of production, stocks, etc.), there is almost no market information about other key markets in the agri-food supply chain, namely those that operate between farmers and consumers at the food processing and the retail level. This asymmetry of information between farmers and the other actors in the food supply chain puts farmers at a significant disadvantage in the market and erodes trust in fair dealing. This lack of information on market developments from processors and retailers has been called the 'black box' of the agri-food supply chain and today's proposal unlocks that box.

The proposed measures will cover the meat, eggs, dairy, fruit and vegetables, arable crops, sugar, and olive oil sectors. They build on existing data collection systems and procedures that are already in place and used by operators and Member States to report market information to the Commission, with a now wider scope. Each Member State will be responsible for the collection of price and market data. The Commission recommends that Member States choose the most cost-effective approach and do not target small and

medium-sized enterprises to reduce the administrative burden. Member States will communicate the data to the Commission, who will in turn make the monitoring available on its [agri-food data portal](#) and [EU market observatories](#). It is essential that the information provided by the Member States is accurate and timely.

According to the Commission's [Better Regulation](#) procedures, the proposal is now published for a 4-weeks' public consultation period. It will then be adopted by the European Commission and is planned to enter into force six months after its adoption.

Background

The Commission has been working towards a fairer and more balanced food supply chain since the beginning of its mandate.

In 2016, the [Agricultural Markets Task Force](#) (AMTF) was set up with the aim of assessing the role of farmers in the wider food supply chain and make [recommendations](#) on how it can be strengthened and improved.

Based on these recommendations, the Commission launched an [inception impact assessment](#) and a [public consultation](#) on the improvement of the food supply chain in 2017, both of which covered three elements: unfair trading practices, producer cooperation, and market transparency.

An EU-wide opinion poll published in February 2018 shows that a great majority of respondents (88%) considers that strengthening farmers' role in the food supply chain is important. Confirming this trend, 96% of the respondents to the 2017 public consultation on the modernisation of the CAP agreed with the proposition that improving farmers' position in the value chain should be an objective of the EU's Common Agricultural Policy.

The Commission presented last year its proposal to ban unfair trading practices in the food supply chain, which was voted by co-legislators in April 2019. These new rules will ensure the protection of 100% of European farmers as well as small and mid-range suppliers against unfair trading practices in the food supply chain.

For More Information

[Proposal for More Market transparency in the EU's food supply chain](#)

[Commission welcomes Parliament's support to ban unfair trading practices](#)