



Fair food prices: new legislation needed, say MEPs

The bargaining positions of all players in the human food chain must be rebalanced, and fair competition enforced by law, to ensure fair returns to farmers and price transparency to consumers, says Parliament in a resolution voted on Tuesday.

In a report drafted by José Bové (Greens/EFA, FR) and approved by a show of hands, MEPs suggest ways to tackle abuse of dominant positions, unfair commercial and contractual practices and late payments, and to improve producers' position in the food market. The report, a response to a Commission communication, sets out MEPs' ideas on to improve the functioning of the food supply chain for the benefit of producers and citizens.

New legislation to enforce fair competition

Codes of good commercial practice, including penalties and a complaint mechanism should be put in place, to counter unfair behaviour by market players, say MEPs. To monitor trading relations between producers and retailers and if necessary rebalance them, an EU-wide instrument could be implemented through specialised bodies in the Member States, they add. Measures to be taken should include an analysis of possible misuse of private labels, i.e. retailers' "own brand" products and a pilot project to create an EU farm prices and margins observatory.

Parliament urges the Commission to table legislative proposals to limit dominant market positions at all stages of the supply chain, from the input sector, through the food processing industry to retailers, says the text, adding that companies committing unfair practices should be "named and shamed".

Compulsory reporting for top buyers

The Commission is urged to propose that top European traders, processors, wholesalers and retailers be required to report on their market shares in key food items annually, so as to allow all market players to estimate demand and supply trends.

The resolution specifically asks the Commission to monitor the food processing industry in countries where it has the widest margins in the food supply chain. Moreover, MEPs ask the Commission to report to Parliament by the end of 2010 on buyer power abuse and anti-competitive behaviour anywhere in the food supply chain.

To improve price transparency, Parliament also urges that the recently-approved European food price monitoring tool be made more user-friendly and broadened to cover more food products, so as to provide better comparability data.

Fair contracts and an end to late payments

Standard contracts could be useful in preventing practices such as altering contract terms, late payments, resale at a loss and unjustified listing fees, say MEPs. In some sectors, these contracts could be even made compulsory.

The Commission should specifically examine the effects of contract farming arrangements imposed by buyers, as these can weaken farmers' bargaining positions, say MEPs.

Press release

MEPs urge the Commission to table legislation to reduce the maximum period allowed for payments from buyers to producers to 30 days for all foodstuffs.

The house rejected by a single vote an amendment calling for preferential treatment for farmers' organisations and co-operatives by authorities awarding public procurement contracts.

Finally, MEPs also ask the Commission to report on the issue of food wastage, which can account for up to 30% of food produced, and to launch an awareness-raising campaign on the value of food.

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