



EUROPEAN PARLIAMENT

2009 - 2014

Committee on the Internal Market and Consumer Protection

2009/2237(INI)

15.6.2010

OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Agriculture and Rural Development

on fair revenues for farmers: a better functioning food supply chain in Europe
(2009/2237(INI))

Rapporteur: Ashley Fox

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SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Agriculture and Rural Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes the significant imbalance of power in the whole food supply chain between the primary input actors, the primary producers, processors and retailers caused inter alia by a lack of efficiency and coordination on the part of producers and by differences in economic size, market power and position in the chain; emphasises that balanced commercial relations will improve the functioning of the food supply chain and benefit all economic actors, including consumers and producers;
2. Calls on each Member State, with the assistance of relevant national authorities, where appropriate, to study revenues and competitiveness within the food supply chain, markets and the constraints specific to each major section of the chain and draw up proposals to encourage the consolidation of organisations representing producers' interests, so as to improve their organisational set-up and effectiveness in commercial bargaining, provide support for training farmers in the area of strategic planning, and encourage them to invest upstream in the supply chain so they benefit from the added value of their products;
3. Calls on the Commission to include, in its analysis of food supply chain problems, the impact of new actors which specialise in modern forms of catering, in particular the mass catering sector; calls on the Commission to determine the market shares of those new actors across the European Union and to study the differences in market conduct between those actors and the traditional actors in the chain; calls on the Commission to publish a report and, where appropriate, propose measures to foster better compliance by that sector with European competition rules and with good commercial and contractual practices;
4. Considers that the asymmetric response observed between commodity and consumer food price developments is a sign of imbalance in the food supply chain which has negative consequences in that, for example, it prevents consumers from benefiting from lower prices; stresses that increased transparency along the chain is key to improving competition and resilience to price volatility; emphasises the need to facilitate better access to markets for producers and SMEs;
5. Calls on the Commission to strengthen the Union's tools in order to lessen price volatility on the agro-food market;
6. Notes that higher food consumer prices put pressure on household incomes, in particular the most vulnerable households who spend a considerably greater proportion of their income on food; recognises the important role that competition between the different actors within the supply chain plays in delivering choice and lower prices to all consumers, especially the most vulnerable, and emphasises that any reforms to the food supply chain must neither harm competition nor prejudice consumers;
7. Stresses the importance of the revision of the European CAP food aid programme for the most deprived so as to provide support, along the food supply chain, for the Union's

poorest citizens;

8. Notes that the second Consumer Markets Scoreboard shows satisfaction amongst consumers with the services offered by food retailers, but reveals a lack of satisfaction on the comparability of food prices; also notes with satisfaction the first edition of the European Food Prices Monitoring tool published by the Commission as well as similar initiatives taken by Member States to permit fair revenues along the supply chain with an analysis of costs, processes, added value, volumes, prices and margins across all sections of the food supply chain, in line with competition law and commercial confidentiality in order to provide price transparency for consumers;
9. Calls on the Member States, with a view to achieving fair prices, to strengthen producers' and producer organisations' management capacity and bargaining power vis-à-vis other economic operators in the food chain, and encourage the formation of organisations which strengthen the links between the various stakeholders within branches, provided that they do not hinder the proper functioning of the single market;
10. Calls on the Commission and the Member States to put contractual relations throughout the food supply chain on a more secure footing so that all actors will be able to reap the full benefits from the single market while retaining their freedom to contract, by proposing voluntary codes of good contractual practice, wherever possible at a European level, and by identifying and banning unfair contractual practices; also stresses the importance of shortening payment periods along the food supply chain through the ongoing revision of Directive 2000/35/EC of the European Parliament and of the Council on combating late payments in commercial transactions; calls on the Commission to prepare voluntary written standard contracts for the agro-food sector;
11. Welcomes the Commission's decision to expand the remit and membership of the High Level Group on the competitiveness of the agro-food industry; calls on the Commission to invite all stakeholders, including consumer groups to participate and asks for the different platforms within the forum to promote information sharing and best practice across the European Union; asks the Commission and Member States within this remit to develop European voluntary codes of good commercial practice for all actors in the food supply chain;
12. Encourages the establishment in all Member States of Ombudsmen to arbitrate disputes between all actors, investigate complaints and make recommendations on how to improve compliance with legislation and voluntary codes; encourages these national Ombudsmen to exchange best practice and coordinate their actions;
13. Calls on the Commission and Member States to identify and assess, and, where necessary, address and combat unfair commercial and contractual practices and abuses of dominant positions, which are detrimental to the functioning of the internal market; stresses that a better awareness of contractual rights will contribute to preventing these practices; requests an information campaign informing all actors within the food supply chain, especially farmers, of their rights as well as of the most common unfair commercial practices;
14. Believes that it is essential for consumers to have access to clear labelling information

allowing the identification of the origin of unprocessed foods and the identification of local and traditional products, and stresses that such labelling schemes should not restrict the free circulation of goods in the internal market;

15. Recognises the importance retailers' own brand labels play in enhancing competition and in providing improved choice and lower prices to consumers;
16. Calls on the Commission to carry out an impact assessment on the benefits of an improved legal framework covering private quality and distributor labels, with a view to avoiding their multiplication, in order to provide consumers with greater transparency and market access for producers;
17. Calls on the Member States, where appropriate, to give their national competition authorities greater scope for action by establishing straightforward evidence-gathering mechanisms with regard to distortions of competition through unfair contractual practices;
18. Calls on competition authorities, where appropriate, to investigate and, where necessary, take action against anti-competitive practices between all actors in the food supply chain;
19. Calls on the Commission to clarify, for public purchasers in the food supply chain, the application of the environmental and social criteria of Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts¹ and to supplement them with innovation-fostering criteria, in particular to encourage: (a) fair trade for local producers and local products, (b) sustainable European farming, (c) selection of bids offering the best value for money rather than the cheapest bids, and (d) a return to innovative investment in European farms; calls on the Commission to include these proposals in the interpretive communication which has been announced on the legal framework for helping awarding authorities to take better account of the objectives of promoting innovation, sustainable development and combating social exclusion;
20. Calls on the Commission to step up its efforts to prevent the discrimination to which European agro-food SMEs are subjected on international markets; calls on the Commission, in particular, to propose a measure enabling the European Union's awarding authorities to facilitate access for European SMEs to the food supply chain in the award of public contracts along the lines of the measures already applied by some parties to the WTO Agreement on Government Procurement (GPA).

¹ OJ L 134, 30.4.2004, p. 114.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	3.6.2010
Result of final vote	+: 36 -: 0 0: 0
Members present for the final vote	Pablo Arias Echeverría, Lara Comi, António Fernando Correia De Campos, Jürgen Creutzmann, Christian Engström, Evelyne Gebhardt, Małgorzata Handzlik, Malcolm Harbour, Philippe Juvin, Sandra Kalniete, Eija-Riitta Korhola, Kurt Lechner, Toine Manders, Hans-Peter Mayer, Mitro Repo, Robert Rochefort, Zuzana Roithová, Heide Rühle, Christel Schaldemose, Andreas Schwab, Catherine Stihler, Róza Gräfin von Thun und Hohenstein, Kyriacos Triantaphyllides, Emilie Turunen, Bernadette Vergnaud, Barbara Weiler
Substitute(s) present for the final vote	Ashley Fox, Anna Hedh, Constance Le Grip, George Lyon, Emma McClarkin, Morten Messerschmidt, María Muñoz De Urquiza, Konstantinos Poupakis, Sylvana Rapti, Wim van de Camp