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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE  
COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE  
COMMITTEE OF THE REGIONS**

**Implementing the prohibition of unfair trading practices to strengthen the position of  
farmers and operators in the agricultural and food supply chain – State of play**

{SWD(2024) 106 final}

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## **1. INTRODUCTION**

### **1.1. Background**

On 17 April 2019 the European Parliament and the Council adopted Directive (EU) 2019/633 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain ('the Directive')<sup>1</sup>.

The Directive is binding on all 27 Member States ('MS'). It provides for a minimum level of harmonisation by establishing a list of prohibited unfair trading practices ('UTPs') between buyers and suppliers in the agricultural and food supply chain. It also lays down minimum rules on the enforcement of those prohibitions and on cooperation between the enforcement authorities. MS may adopt or maintain national rules that go beyond the UTPs listed in the Directive provided that these are compatible with the rules on the functioning of the internal market.

The Commission ('COM') recognises the value of the UTP Directive as a key policy tool for strengthening the position of primary producers in the food supply chain. This report is one of the immediate measures listed in the reflection paper addressed to the co-legislator on 15 March 2024<sup>2</sup> aiming to respond to the current challenges in the agricultural sector and concerns raised by farmers. In the medium and longer term, the Commission also suggests other measures forming a package, including the launch of an observatory of costs, margins and trading practices in the agricultural and food supply chain to increase transparency, targeted amendments to the Common Market Organisation Regulation<sup>3</sup> ('CMO'), new rules on cross-border enforcement of UTPs and an evaluation of the Directive by 2025.

### **1.2. Objective and scope of this Report**

On 27 October 2021, the COM, presented a report on the state of the transposition and implementation of the Directive according to its Article 12, covering the 15 MS that had notified complete transposition by 31 July 2021, as well as FR that had notified partial transposition<sup>4</sup>.

The present report now covers information on the state of implementation in all 27 MS and provides an overview of a selection of MS' transposition choices. It exclusively refers to provisions that are contained in the national laws transposing the UTP Directive.

Taking into account that the conformity check - which consists of assessing the compatibility of the national implementing measures with the Directive's provisions<sup>5</sup> - is still ongoing, this

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<sup>1</sup> Directive (EU) 2019/633 of the European Parliament and of the Council of 17 April 2019 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain, OJ L 111, 25.4.2019, p. 59.

<sup>2</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_24\\_1493](https://ec.europa.eu/commission/presscorner/detail/en/ip_24_1493)

<sup>3</sup> Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products, OJ L 347, 20.12.2013, p. 671. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32013R1308>.

<sup>4</sup> [Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the state of the transposition and implementation of Directive \(EU\) 2019/633 of the European Parliament and of the Council of 17 April 2019 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain.](#)

<sup>5</sup> Better regulation toolbox 2023.

report does not provide a definitive assessment of the transposition measures. In addition, several national laws have just ‘been modified and’, this report covers modifications to the transposition laws officially notified until 1 March 2024.

It should further be noted that national provisions that maintain or introduce stricter rules than those laid down by the UTP Directive are not assessed by the COM in the context of the conformity check. These provisions may be subject to request for information or further investigation.

This report is accompanied by a Staff Working Document (‘SWD’) providing further details, in particular on MS’ choices of transposition.

## **2. GENERAL OVERVIEW ON TRANSPOSITION**

According to Article 13 of the Directive, MS had to transpose the Directive into their national laws by 1 May 2021. By December 2022 all MS had notified complete transposition to the Commission<sup>6</sup>.

## **3. SPECIFIC POINTS OF ANALYSIS**

### **3.1. Scope of application and business size (Article 1)**

Six MS have opted for an application of the transposing measures regardless of the business size<sup>7</sup> of suppliers or buyers. All other MS refer, to some extent, to business size measured in annual turnover as a proxy for the bargaining power of operators to be protected, limiting the scope of application of the adopted legislation or parts of it, as provided for by the Directive.

#### **3.1.1. Chain operators and supply relationships**

With regard to the relationship between suppliers and buyers of agricultural and food products, a majority of MS has determined the sectoral and personal scope as defined in the Directive<sup>8</sup>.

LV has expanded the scope to include relationships between suppliers and retailers (only) of non-food products. SK has included under the buyer’s and supplier’s definition, legal persons that are not business operators. ES opted for the protection of all operators along the chain (including buyers).

### **3.2. Prohibited UTPs (Article 3)**

The Directive requires MS to ban a list of UTPs, splitting them into two groups of prohibitions: (i) *per se* prohibitions or unconditional prohibitions (‘black list’) and (ii) conditional prohibitions (‘grey list’), i.e. trading practices that are prohibited unless agreed in clear and unambiguous terms upfront in the supply agreement or in a subsequent agreement between the supplier and the buyer (Article 3(2)). Each practice is specifically defined in the Directive. MS

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<sup>6</sup> [Directive - 2019/633 - EN - EUR-Lex \(europa.eu\)](#).

<sup>7</sup> CY, EE, ES, FR, IT, SK. While maintaining the general application of the implementing legislation regardless of business size, some of these MS have referred to business size to provide for some exceptions or variations. E.g., in CY payment deadlines vary based on business size in the case of products delivered on a regular basis by suppliers of grapes for the production of wine to buyers with an annual turnover of less than EUR 2 000 000; Spanish legislation does not apply to hotel, restaurant and catering businesses with turnover of less than EUR 10 million; and businesses engaging in accommodation services with turnover of less than EUR 50 million.

<sup>8</sup> The exclusion of certain types of buyers (e.g., cooperatives) by some MS is subject to the ongoing conformity check.

may adopt or maintain national rules that go beyond the UTPs listed in the Directive provided that these are compatible with the rules on the functioning of the internal market. While conforming to the prescribed requirements, MS may in addition:

- use general clauses to enlarge the scope of prohibitions to practices that are not specifically listed;
- add other practices to the lists;
- extend the scope of listed prohibitions or make them stricter;
- move practices from the ‘grey list’ to the ‘black list’.

Details on transposition choices by MS including individual practices are available in the SWD. Two practices included in the ‘black list’ deserve special attention as it is possible for MS to provide variations within certain limits:

- **Payment delays:** 16<sup>9</sup> of the 27 MS are applying the provisions of the Directive distinguishing between perishable (30-days payment term) and non-perishable product sales (60-day term), while 11<sup>10</sup> MS apply stricter payment delays.

All MS, except BE, EE, HU, SE and SK, have incorporated the Directive’s definition of perishable products into their transposition legislation. FR has different definitions for ‘perishable’ and ‘very perishable’ products. HR and SI have added to their transposition legislation a list of perishable products, whereas LT has vested an institution, authorised by the Government, with the power to approve a list of perishable products.

- **Cancelling orders at short notice:** All MS include the 30-day period as a minimum standard for cancellation, except EE, HU and SK. Six MS provide for the possibility to set periods of less than 30 days for specific sectors in duly justified cases (e.g. highly perishable goods)<sup>11</sup>.

### 3.3. Enforcement mechanisms (Articles 4-8)

#### 3.3.1. Designation of enforcement authorities (Article 4)

All 27 MS have designated one or more authorities (‘enforcement authorities’) to enforce the prohibitions laid down in Article 3 at national level. The authorities’ contact details and websites are available on a dedicated website<sup>12</sup>.

All MS have chosen administrative authorities and most of them opted to assign the main enforcement powers to it: eleven MS assigned them to a competition authority<sup>13</sup>; six to a food

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<sup>9</sup> AT, CY, DE, DK, EL, ES, FR, HR, IE, IT, LU, LV, MT, NL, PL, SI.

<sup>10</sup> BE, BG, CZ, EE, FI, HU, LT, PT, RO, SE, SK.

<sup>11</sup> BE, DK, FR, IE, IT, SE.

<sup>12</sup> [https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/market-measures/agri-food-supply-chain/unfair-trading-practices\\_en](https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/market-measures/agri-food-supply-chain/unfair-trading-practices_en).

<sup>13</sup> AT, BG, CZ, DK, EE, HR, LU, LV, PL, SE, SI.

market authority<sup>14</sup>; five to their Ministry of Agriculture<sup>15</sup>; two to an authority in charge of combating unfair commercial practices in the agri-food sector<sup>16</sup>; two to a government body within the Ministry of Economy and Finance<sup>17</sup>; and one to an authority for consumers and markets<sup>18</sup>. Some have vested a Court with some of the enforcement powers regulated in the Directive<sup>19</sup>.

Three MS (EL, LT<sup>20</sup> and RO) designated two authorities, the second being the competition authority.

### **3.3.2. Complaints and confidentiality (Article 5)**

Under all transposition instruments notified to the COM, not only single suppliers, but also producer organisations or other organisations of suppliers and associations of such organisations have the right to submit a complaint to the designated enforcement authority.

A vast majority of MS' transposition instruments have provided for means to safeguard the confidentiality of the complainant's identity, the disclosure of which could be harmful to their interests or those of their members or suppliers<sup>21</sup>. These safeguards should normally be adopted upon the supplier's request<sup>22</sup>; however, some national transposition measures also provide for an authority's initiative in this regard<sup>23</sup>. In most cases, the complainants are requested to identify the information for which they request confidentiality<sup>24</sup>. By contrast, under Polish law, the complainant's identity and information, whose disclosure could be detrimental to the complainant, is always kept confidential unless the complainant allows disclosure in writing. In ES, the law provides for the protection of the identity of the complainant also during judicial proceedings. In some MS, the transposing instruments include the possibility to discontinue the proceedings where their continuation would cause confidential information to be disclosed<sup>25</sup>. In LT, the enforcement authority has discretion to reject a confidentiality request if the specific information has an evidentiary value in establishing the infringement. However, anonymous complaints are explicitly addressed in their legislation.

### **3.3.3. Powers of designated enforcement authorities (Article 6)**

Most MS assign the designated enforcement authorities the powers prescribed by Article 6, namely:

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<sup>14</sup> DE (Federal Office for Agriculture and Food, designated by the Federal Ministry), ES (Food Information and Control Agency (AICA)), FI (Food Market Ombudsman), HU (Food Chain Safety Office, designated by the Government), LT (Rural Business and Markets Development Agency) and PT (Economic and Food Safety Authority (ASAE - Autoridade de Segurança Alimentar e Económica)).

<sup>15</sup> CY, IE, IT (an internal division of the Ministry), RO, SK.

<sup>16</sup> EL, MT.

<sup>17</sup> For FR, the DGCCRF (General Directorate for Competition policy, Consumer Affairs and Fraud Control); for BE, the DG for Economic Inspection of the FPS Economy.

<sup>18</sup> NL.

<sup>19</sup> So, in particular, for the power to impose sanctions (AT, FI, FR).

<sup>20</sup> The second enforcement authority has only competence on practices engaged by retailers with significant market power.

<sup>21</sup> However, in some MS (e.g., LV, PT, SE) confidentiality is ensured for identity only but not for other sensitive information.

<sup>22</sup> All MS except AT, FI, FR, LV, PL, SE. Among these, BG law sets out that the complainant's identity must always remain confidential.

<sup>23</sup> e.g. HU.

<sup>24</sup> BE, BG, CY, DK, EL, ES, IE, IT, LU, NL SI.

<sup>25</sup> AT, BE, CY, DE, DK, EE, FI, IT, MT, PT.

- investigatory and monitoring powers<sup>26</sup>;
- the power to take decisions when an infringement of the prohibitions laid down in Article 3 has occurred<sup>27</sup>;
- the power to require the buyer to end the prohibited trading practice<sup>28</sup>;
- the power to impose, or initiate proceedings to impose fines and other equally effective penalties<sup>29</sup> and interim measures addressed to the author of the infringement, in line with national rules and procedures<sup>30</sup> and
- the power to publish the decisions taken<sup>31</sup>.

In nine MS, the enforcing authority also has the power to validate commitments to be undertaken by the infringer<sup>32</sup>, or to issue warnings<sup>33</sup> or recommendations if an infringement occurs<sup>34</sup>.

### **3.3.4. Enforcement measures and sanctions (Article 6)**

Enforcement measures encompass a wide range of instruments, including sanctions, remedies, and commitments. The most common measures available to national enforcement authorities are financial sanctions (fines or other equally effective penalties), which are provided for in all 27 MS.

### **3.3.5. Administrative, judicial enforcement and alternative dispute resolution**

Most measures and enforcement mechanisms can be deemed administrative enforcement.

Some MS' transposition acts explicitly refer to both administrative and judicial enforcement. The Austrian and Finnish legislations set out that certain powers (e.g. penalties) are reserved to the court, whereas (in FI) other measures (such as injunctions) may be adopted by both the administrative and the judicial authority. In FR, the administrative authority may issue injunctions and administrative fines, whereas the court may adopt injunctions, corrective measures and civil penalties (*amendes civiles*). The Bulgarian legislation stipulates that the institution responsible for specific proceedings under the transposing legislation must not prevent a party to a supply agreement from seeking redress by means of another established procedure, implicitly acknowledging the role of other enforcers, including courts. The Latvian legislation stipulates that, concurrently with the Competition Council, under procedures laid down in the law on civil procedure, a court can also establish whether or not an infringement of the transposition law took place.

Some MS use a system of parallel remedies without, however, providing for specific rules of coordination between administrative and judicial authorities.

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<sup>26</sup> All MS.

<sup>27</sup> All MS except EE, ES, FI, SI, SK.

<sup>28</sup> All MS except AT, HU.

<sup>29</sup> All MS (for AT: Cartel Court's power; for FI: Court's power).

<sup>30</sup> Specifically foreseen in the national transposition measures in: BG, DK, EL, FI, FR, ES, IE, LT, LU, LV, NL, PT, RO.

<sup>31</sup> All MS except CZ, LV, PT.

<sup>32</sup> BE, BG, CZ, HR, HU, PL.

<sup>33</sup> BE, FI, LV.

<sup>34</sup> EL.



### **3.3.6. Cooperation among enforcement authorities (Article 8)**

Pursuant to Article 8(3), the COM has set up a public website<sup>35</sup>, providing contact details of national enforcement authorities and links to their respective websites. Additionally, the COM has set up a digital forum to facilitate the exchange of information.

After having closely accompanied MS in their respective transposition process through regular meetings, providing answers to questions of implementation, and over 50 individual written replies concerning implementation, the COM facilitated the setting up of the UTP Enforcement Network ('the Network'). Composed of representatives of the national enforcement authorities, the Network engages in discussions concerning the Directive's application based on MS' annual reports (Article 10(2)). It aims to ensure a common approach concerning the application of the rules set out in the Directive and the sharing of good practices, of new developments and of new enforcement tools. Additionally, it may issue recommendations as part of its collaborative efforts in enhancing the enforcement framework.

Since its inception in June 2022, the Network met twice at the level of heads of the enforcement authorities and twice at technical level. Moreover, it came together in focus meetings to have in-depth discussions on specific topics of technical nature. Five such focus meetings have taken place since 2022. Themes discussed were for instance the calculation of turnover thresholds, cross-border enforcement, and buying alliances. The discussion on cross border enforcement allowed to identify possible areas of improvement detailed in section 3.5.

### **3.3.7. Publication of enforcement authorities' annual activities report (Article 10)**

To enhance accessibility to the annual reports as published by the national enforcement authorities on their websites (Article 10(1)), the COM intends to publish a consolidated overview of links thereto on the UTP webpage<sup>36</sup> in 2024.

Considering that the application of national transposition laws to new agreements began on 1 November 2021, and at the latest 12 months after the publication of these laws for existing contracts, different transposition timelines could be observed accross MS. This divergence led to variations in the number of enforcement cases reported so far<sup>37</sup>. Some MS focus on providing guidance to suppliers and buyers to ensure compliance with the rules, while others conducted agri-food sector inquiries or opened a number of own initiative investigations (i.e. investigations not based on complaints or hints). In 2023 around 75% of own initiative cases and investigations are from ES due to past enforcement experience and available resources. 269 infringements (about 27% of the closed investigations) were detected, leading to an overall financial sanction of over EUR 22 million. The level of financial sanctions varies within the EU.

The most frequently detected UTPs were late payments for perishable (after 30 days) or non-perishable (after 60 days) agricultural and food products (50% and 13%), payments not related to a specific transaction (7%), payments requested from the supplier for marketing actions (7%) as well as for stocking, displaying and listing (7%). About 41% of the UTPs detected had been

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<sup>35</sup> [https://agriculture.ec.europa.eu/common-agricultural-policy/agri-food-supply-chain/unfair-trading-practices\\_en](https://agriculture.ec.europa.eu/common-agricultural-policy/agri-food-supply-chain/unfair-trading-practices_en).

<sup>36</sup> [https://agriculture.ec.europa.eu/common-agricultural-policy/agri-food-supply-chain/unfair-trading-practices\\_en](https://agriculture.ec.europa.eu/common-agricultural-policy/agri-food-supply-chain/unfair-trading-practices_en).

<sup>37</sup> The reporting of the number of cases may also depend on the enforcement authorities' internal rules and may therefore lead to under- or over-statement of the cases.

identified at retail level (47% in 2022), 36% at the level of processing (27% in 2022) and 22% at the level of wholesale (25% in 2022).

An overview of aggregated data on MS' enforcement activities in 2022 and partly for 2023<sup>38</sup> is available in the SWD.

In this context it is worth underlining that the number of enforcement activities carried out depends on the availability of human resources in the respective authorities whose primary allocation to enforce UTP laws differs between MS<sup>39</sup>.

### **3.4. Stricter national rules (Article 9)**

According to Article 9 of the Directive, MS may introduce stricter rules to ensure a higher level of protection, provided they are compatible with the rules on the functioning of the internal market. This can either concern a stricter scope, as mentioned above, or practices not mentioned in the Directive, such as e.g. the prohibition to sell or buy below production costs, to re-sell at a loss or below purchase price or any other obligation to respect a certain price level.

"Sales or purchases below cost" and "re-sale at a loss" are not specifically governed by the Directive or the Common Market Organisation Regulation. While four MS have introduced a provision on "sale or purchase below production cost"<sup>40</sup>, three MS did so for a provision on "re-sale at a loss"<sup>41</sup> and two for another obligation to respect a certain price level<sup>42</sup>.

### **3.5. Focus on cross-border enforcement**

In 2019, 17% of the EU agricultural products consumed in a MS originated in another MS<sup>43</sup>. The exchanges of information on general enforcement approaches in the Network are considered beneficial and a success of the Directive. Discussions among enforcement authorities in the Network suggest that the general obligation in Article 8 to provide each other with mutual assistance in cross-border investigations may not always provide a sufficient legal basis to ensure effective and efficient cooperation and enforcement. This is especially the case for cross-border cases where the buyers involved in trading practices are located in a different MS than the one where the supplier is based. Such situations require the exchange of confidential information, the possible adoption of enforcement measures against a buyer established in another MS than that of the enforcement authority of the supplier, or the reallocation of cases across the network of enforcement authorities, as well as the collection of fines. It can also entail issues related to languages used in the exchanges. Such difficulties can also be affected by the different choices concerning the types of enforcement authorities designated by MS (e.g., competition authorities have legal tools available that allow them to collaborate together more easily than with other enforcement authorities). Moreover, buyers of agricultural and food products may source products in multiple MS which suggests a need for coordinated action of enforcement authorities. In this context, the COM considers that new rules on cross-border enforcement against unfair trading practices may become necessary<sup>44</sup>.

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<sup>38</sup> By the deadline of 15 March 2024 only 18 MS had sent their annual report to the COM.

<sup>39</sup> For example, according to the German Evaluation Report, limited personnel resources coupled with extensive investigative efforts pose challenges for the work of the enforcement authority.  
<https://www.bmel.de/SharedDocs/Downloads/DE/Internationales/aussenwirtschaftspolitik/evaluierungsbericht-agrarolk.html>.

<sup>40</sup> ES, HR, HU, IT.

<sup>41</sup> ES, HU, RO.

<sup>42</sup> ES, IT.

<sup>43</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=comnat:SWD\\_2021\\_0317\\_FIN](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=comnat:SWD_2021_0317_FIN) (p 17, figure 7).

<sup>44</sup> [Commission's additional measures to support EU farmers \(europa.eu\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2021:0317:FIN).

These new rules would aim at improving the exchange of information across competent enforcement authorities or providing for the possibility of coordinated actions against buyers in a cross-border context.

Part of the discussions in the Network also focused on the cross-border nature in handling UTP complaints with regard to buying alliances<sup>45</sup>. While it is worth noting that buying alliances are subject to the UTP Directive as any other buyer and there is thus no particular reason to treat them differently, the network highlighted in its exchanges the challenges related to their location, in some cases outside the EU and the pressure exerted on the resources of the enforcement authority.

A JRC report<sup>46</sup> of May 2020<sup>47</sup> states that national and European buying alliances can play a role in fostering competition in the food supply chain and have a positive impact on consumer prices<sup>48</sup>. At the same time, it also concludes that the role of buying alliances on upstream actors, such as farmers is not clear and warrants further investigation. The COM intends to update these results in the course of 2024.

#### 4. EVALUATION OF THE DIRECTIVE (ARTICLE 12)

The Directive stipulates that by 1 November 2025, the Commission shall carry out a first evaluation<sup>49</sup> of the Directive. The evaluation will be based on the outcome of a support study, in the framework of which appropriate targeted consultations to all stakeholders involved, suppliers and buyers, will be organised.

To feed into this evaluation, the COM has been conducting, *inter alia*, **annual surveys across all EU countries**, starting with a baseline survey in 2020<sup>50</sup>.

Moreover, some MS have already carried out their own first evaluations, such as DE<sup>51</sup> and SE<sup>52</sup>.

#### 5. CONCLUSIONS

The UTP Directive aims at tackling through minimum harmonisation at EU level the previous landscape of fragmented national legislations. By December 2022, all MS had transposed this Directive into their national laws.

A large majority of MS have adopted a level of protection beyond the minimum level established by the Directive. Stricter national rules than that of the Directive are possible, provided they respect the EU's internal market rules. MS generally follow the sectoral approach and apply the Directive only within the agri-food chain. In terms of scope, over half

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<sup>45</sup> Four national enforcement authorities (CZ, FR, IT, SE) investigated or are currently investigating buying centers or buying alliances at the European level.

<sup>46</sup> A [Statement](#) by the European Parliament on buying alliances called on the COM to carry out an in-depth analysis on the extent and effects of national and international buying alliances which resulted in the referred JRC report.

<sup>47</sup> [JRC Publications Repository - Retail alliances in the agricultural and food supply chain \(europa.eu\)](#).

<sup>48</sup> In 2023, the COM closed investigations into two international retail alliances. The COM found no evidence of anticompetitive effects and found, instead, that the rebates obtained by the alliances contributed to the retailers' overall pricing strategies, allowing them to reduce retail prices to match or undercut competitors' pricing", see: Antitrust: Commission closes antitrust investigations into AgeCore and Coopernic' MEX/23/3847 (Brussels, 13 July 2023).

<sup>49</sup> [Agricultural & food supply chain – combating unfair trading practices \(europa.eu\)](#).

<sup>50</sup> [Unfair Trade Practices \(europa.eu\)](#).

<sup>51</sup> [DE evaluation](#).

<sup>52</sup> [SE evaluation](#).

of the MS depart from the turnover categories as defined in the Directive, some apply the rules regardless of the turnover of the operators concerned. Most MS have expanded the list of UTPs by making the Directive's prohibitions more stringent for example by turning 'grey' practices into 'black' practices or by adding more prohibitions of trading practices than the ones in the Directive. By contrast, the MS that did not have legislation in place before the Directive generally aligned with the Directive's scope. The conformity check assessing the compatibility of national implementing measures with the Directive, is still not finalised though.

The network of national enforcement authorities has, in a series of meetings, collaborated, exchanged best practices on the enforcement of this new Directive and worked on ways to strengthen collaboration in some areas such as cross border enforcement. The launch of the new observatory of production costs, margins and trading practices in the agri-food supply chain will further contribute to increasing transparency and trust.

Improving the position of farmers in the food supply chain, supporting their income and ensuring a fair remuneration are important policy objectives with a view to support the competitiveness, sustainability and resilience of the agricultural sector. Perceived inequalities and concerns about the viability of agricultural activity related to among others the possible imbalances in bargaining power to the detriment of farmers, have fuelled recent farmers' protests. The measures covered by the aforementioned reflection paper show the significance the COM attaches to strengthening the position of farmers in the food supply chain.

While being a recent instrument, the UTP Directive provides an answer to some of these concerns, by allowing farmers and relatively weaker suppliers in the food supply chain to operate more securely and efficiently thanks to fairer trading practices, and to express themselves and complain more easily. Enforcement is gaining traction and will contribute to an ever-growing degree of protection of farmers and weaker suppliers. The evaluation scheduled for 2025 will be the moment to reflect on the possible need to adjust the Directive itself and its parameters in terms of scope or practices at stake.