

EuroCommerce: Restricting access to the Single Market will not improve the situation for farmers

Over the past few days, many farmers have been drawing attention to their difficult economic situation with demonstrations and protests in Europe, triggering a raft of announcements by policymakers, including the possibility of further restricting access to the Single Market for retailers and wholesalers. EuroCommerce, the European association representing retailers and wholesalers, understands the importance of addressing farmers' concerns. However, the association asks policymakers to refrain from taking erratic measures under pressure.

Christel Delberghe, EuroCommerce's Director General remarks: "In looking for solutions for farmers, policymakers need to remember the importance of the Single Market for sourcing for retailers and wholesalers, that it brings benefits to consumers and that retail alliances have no demonstrated negative effects on farmers."

European retail alliances mostly deal with large international suppliers of processed products, which tend to hold strong market positions in their product categories. These global suppliers continue to make significant margins and benefit from the Single Market for their own sourcing and production.

A 2020 Joint Research Centre [report](#) identified that international retail alliances have no direct or indirect impact on farmers. The new competition horizontal guidelines and competition investigations into two European retail alliances in 2023, recognised their positive contribution for consumers, bringing more competitive prices and more choice. The EU Commission has encouraged the setting up of alliances for common purchasing of gas or vaccines, and the same should apply to sourcing processed foods from global brands suppliers, says EuroCommerce.

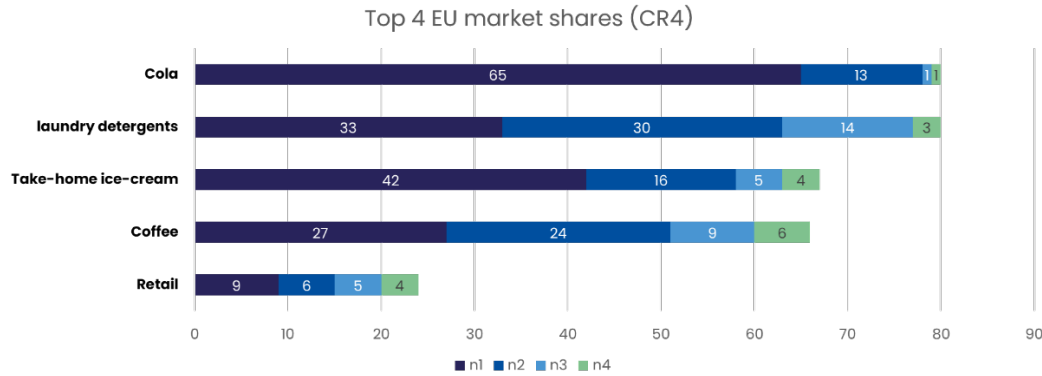
That is also why [EuroCommerce has urged](#) the European Commission to act as a matter of priority against a 2023 French law which restricts the freedom of retailers and wholesalers to source in the Single Market in breach of EU law.

Retailers and wholesalers have few direct relations with farmers (less than 5%) as products are involved in several processes before reaching supermarket shelves. The sector has a long tradition of supporting farmers locally through dedicated supply chains or "tripartite contracts" and delivering rewards for additional investments into new products and more sustainable techniques. Due to the current cost of living crisis, consumers have prioritised price as a key determinant for purchasing. Despite this, as a signatory to the [EU Code of Conduct](#) on responsible food business and marketing practices, the sector's commitment towards helping deliver sustainability in agri-food ecosystems remains strong, confirms EuroCommerce.

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Key facts and figures

A few global suppliers control most A-brands



Alliances bring benefits to consumers:

“Joint purchasing arrangement can lead to lower prices, more variety or better-quality products for consumers”, 2023 Commission Horizontal Guidelines.

Alliances have no impact on farmers

“There is little evidence on the possible impact of Retail Alliances yet further up the agricultural and food supply chain, that is to say on farmers. (...) Any possible impact of (European) Retail Alliances on farmers is thus indirect at best.” p.1 JRC Study on European retail alliances, 2020.

“Overall, the impact of RAs on farmers and other small players upstream in the agriculture and food supply chains is not clear (...) When RAs (...) promote competition at the retail and food processing stage and improve efficiency in the chain, in principle, they could create benefits for farmers”. p.31 JRC Study on European retail alliances, 2020.

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EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 27 countries and 5 million companies, including leading global players and many small businesses. Over a billion times a day, retailers and wholesalers distribute goods and provide an essential service to millions of business and individual customers. The sector generates 1 in 7 jobs, offering a varied career to 26 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.