

A well-functioning food supply chain also relies on a resilient and competitive farming sector

(Brussels, 9 September 2016) Ahead of the Informal Agri Council on 11-13 September 2016, FoodDrinkEurope recalls that Europe's food and drink industry accounts for more than 285,000 SMEs, which represent 99% of all EU food and drink companies operating all over the continent. They source most of their raw materials from European farms and, as such, they have an inherent interest in a resilient and competitive agriculture.

Making business decisions in a market-oriented agri-food sector requires market intelligence (i.e. information on prices, production, trade, etc.). This information is currently sufficiently available from both public and private sources at EU and global level for all operators to use. Going further and increasing the transparency of pricing is of very limited use because the price issue is extremely complex (e.g. hundreds recipes from the same agricultural raw materials, different outlets – export, direct consumption, etc. –, production costs and qualitative aspects).

Based on dialogue in the food chain, the Supply Chain Initiativeⁱ (SCI), a joint voluntary initiative, is an appropriate tool to deal with Unfair Trading Practices (UTPs). It has been developed by and for companies of the whole food supply chain and encourages the resolution of disputes in a quick, efficient and less conflictual manner than court. Together with the other parts of the chain, FoodDrinkEurope is fully involved in discussing potential strengthening of the SCI, in particular in view of enhancing trust in the governance, reinforcing the dispute resolution system and, finally, encouraging farmers to join. Because they face very different national situations, Member States have developed different approaches to deal with UTPs. Against this background, an EU legislation as a one-size-fits-all solution would not be an appropriate way forward.

Note to the editors:

FoodDrinkEurope is the organisation of Europe's food and drink industry, the largest manufacturing sector and leading employer in the EU and a key contributor to its economy (286,000 companies, 99% SMEs, 4.2 million employees).

Press contact:

Florence Ranson

Director of Communications

Phone: +32 2 5081028

f.ranson@fooddrinkeurope.eu

ⁱ SCI www.supplychaininitiative.eu