

Solutions to tackle imbalances of power in agricultural supply chains

Tuesday 18 November 2014 at 12:30-14:00

European Parliament Room A3G3

Speakers include (in alphabetical order):

Christophe Alliot

BASIC (Bureau for Appraisal of Social Impacts for Citizen information), Comite Francais de Solidarite Internationale (CFSI)



He has been FLO's (Fairtrade Labelling Organizations International) International Project Manager for the Strategic Review for the past three years. Before joining FLO, he was Head of International Relations & Deputy Director at Max Havelaar France, where he was project leader on new products (cotton/textiles and cosmetics). Christophe was also in charge of impact assessment methodology and the FLO strategic review 2008-2012. He was Max Havelaar France's liaison person with internal and external partner and its spokesperson on development & international trade issues. Currently, Christophe is also volunteering at French NGO Comite Francais de Solidarite Internationale, where he is Executive Financial Vice-President. He has a Masters in Marketing & Business Strategy from the Political Studies Institute of Paris.

Claire Bury

Director of the Directorate E – Service of DG Internal Market and Services of European Commission



Claire Bury is currently Director of Services in Directorate General Internal Market and Services. She was previously Head of Unit for Company Law, Corporate Governance and Financial Crime in Directorate General Internal Market and Services.

She has also been Deputy Head of Cabinet to Internal Market Commissioners Charlie McCreevy and Frits Bolkestein. An English barrister by training, she worked in the Commission's Legal Service and, before coming to Brussels, in the UK Foreign and Commonwealth Office.

Sergi Corbalán

Executive Director of the Fair Trade Advocacy Office (FTAO)



As Executive Director of the Fair Trade Advocacy Office, Sergi Corbalán is responsible for the Fair Trade movement political advocacy work before the European Union. The mission of the FTAO is to speak out for Fair Trade and Trade Justice as well as to coordinate advocacy efforts of the Fair Trade movement in Europe on EU policies and EU input into Global policies. Sergi has over 10 years experience on EU and Global affairs, having worked for a variety of civil society and industry actors, on policy and legal topics linked to consumer protection, trade and sustainable development.

Fiona Gooch

Traidcraft, member of EU High Level Forum for a Better Functioning Food Supply Chain



Fiona works on private sector trade policy issues, particularly looking at the link between business and their impact on poverty in developing countries. This includes work on supply chains (purchasing, standards and codes of conduct), company law, competition policy, social reporting and investment.

She is the UK director of the Responsible Purchasing Initiative and has developed recommendations as to how low-cost sourcing can be undertaken ethically, as well as how agricultural and garment supply chains can be improved as well as thinking about different public policy issues for improving the international development impact of supply chains reaching the EU.

Paulo Gouveia

Director of the General Affairs Department at Copa-Cogeca



Paulo Gouveia is the Director of General Affairs in Copa-Cogeca since 2007. He is responsible for the coordination of horizontal policies at Copa-Cogeca and, in particular, of cooperatives, agribusinesses and food chain. He has more than 25 years' experience working for farmer and cooperative organisations in Portugal and other EU Member States. He is an agronomist (agro-economist) graduate of the Instituto Superior de Agronomia (University of Lisbon) in Portugal.

Mairead McGuinness (EPP, IE)

Vice-President of the European Parliament



She is a Vice-President of the European Parliament and full member of the Agriculture & Rural Development/AGRI. She studied Agricultural Economics and began her career in journalism in RTÉ. In print journalism she was the highly respected editor of the Farming Independent for seven years. Leading a strong team, she positioned this paper as the major independent voice in the agricultural sector. She served two terms as Chairperson of the Guild of Agricultural Journalists and successfully developed the guild as an important network for those in food and farming communications. Mairead also chaired the Consumer Liaison panel set up by the Minister for Agriculture and Food. Mairead was named Magill Magazine MEP of the Year in 2006, for putting in a consistently strong performance in a new and challenging role in Europe.

Olivier De Schutter

Co-chair of the International Panel of Experts on Sustainable Food Systems (IPES-Food), former UN Special Rapporteur on the Right to Food



A Harvard graduate now resident in Belgium, he was appointed UN Special Rapporteur on the Right to Food by the Human Rights Council in March 2008 and assumed his functions on 1 May 2008. He still teaches international human rights law, European Union law and legal theory at the Université catholique de Louvain in Belgium, as well as at the College of Europe. He is also a visiting professor at Columbia University. Additionally, he was a visiting scholar (2010-2012) at American University Washington College of Law's Academy on Human Rights and Humanitarian Law.

Catherine Stihler (S&D, UK)

Vice Chair of the European Parliament's IMCO Committee



As a Member of the European Parliament since 1999, Catherine has performed in the role of Deputy Leader of the European Parliamentary Labour Party (EPLP) from 2004 to 2006 and EPLP health spokesperson in the previous Parliament.

Catherine has special interests in consumer protection, economics, education and lung disease.

Catherine is vice chair of the Internal Market and Consumer Protection Committee (2014-) and is a substitute on the Economic and Monetary Affairs Committee (2009-)

Commission passes on hot potato on Unfair Trading Practices

15 July 2014 (Brussels) – The European Commission has missed the chance today to push for a level playing-field and robust enforcement mechanism on Unfair Trading Practices. Instead, it calls on industry and EU Member States to take action and delays its decision to end 2015. The Fair Trade movement regrets the negative impact this non-decision will have on workers and farmers supplying the EU market.

The European Commission issued today a Communication [*Tackling unfair trading practices in the business-to-business food supply chain*](#)¹ as a follow-up to the Green Paper on Unfair Trading Practices of 31 January 2013². In this policy document, the European Commission has decided, for the moment, neither to legislate nor to put in place a robust enforcement mechanism against Unfair Trading Practices.

The Fair Trade Movement is satisfied that the European Commission recognises that Unfair Trading Practices have a negative impact on “weaker parties in third countries, including in developing countries” and the existing “fear factor” amongst suppliers. It is also satisfied that the Commission realises that the “Voluntary Supply Chain” initiative, set up by a number of industry trade associations, does not guarantee sufficient confidentiality for suppliers and that, without independent enforcement mechanism, the initiative is not sufficient to be effective.

In light of the pertinent analysis by the European Commission services, the Fair Trade movement is therefore all the more disappointed by the lack of political courage to put in place a level-playing field on Unfair Trading Practices and a robust enforcement mechanism at EU level, which would be the logical consequence of the serious issues identified by the Commission services.

[Over 43,000 signers](#) from Europe and Latin America had called earlier this year on the European Commission to put in place a robust EU enforcement mechanism against the abuse of power in supply chains³. Unfair Trading Practices affect millions of producers in and outside of the EU but also the quality and range of the food which we are able to buy in Europe. The failure to act by the EC will result in a continuation and increase of short-notice forced overtime being required of farmers and workers as well as poverty incomes on precarious contracts. It will also continue creating food waste⁴.

Voluntary codes with inappropriate enforcement had already been tried in the UK with the clear result that a system that does not guarantee anonymity is not equipped to overcome the “climate of fear”. This situation prevents suppliers from complaining in the first place because it would jeopardise their economic existence if they were delisted as a retaliation for a complaint they raised against their abusive buyers.

The announcement by the Commission coincides with the appointment of its new Head, Jean-Claude Juncker, who stated in his programmatic agenda presented today to the European Parliament “*We need more fairness in our internal market*”⁵.

¹ Press release and memo issued today can be found under: http://europa.eu/rapid/press-release_IP-14-831_en.htm

² Green Paper available from: <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52013DC0037>

³ The British Institute of International and Comparative Law recently issued a report setting out how European Enforcement mechanism should be set up to stop Unfair Trading practices (UTPs) within food supply chains serving the EU market. Please see here - <http://www.biiicl.org/newsitem/6070> and http://www.biiicl.org/files/6952_biiicl_enforcement_mechanisms_report_-_final.pdf for more information.

⁴ “Catalyst for change” National Farmers Union 2012 report www.nfuonline.com/assets/6106

⁵ Jean-Claude Juncker programmatic agenda ‘[*A new start for Europe: My agenda for Jobs, Growth, Fairness and Democratic*](#)

Sergi Corbalán, Fair Trade Advocacy Office Executive Director stated “We welcome the commitment to fairness by the new European Commission President and ask him to put in place as soon as possible a level playing field and robust enforcement mechanism against Unfair Trading Practices”.

ENDS

The Fair Trade Advocacy Office (FTAO) speaks out on behalf of the Fair Trade movement for Fair Trade and Trade Justice with the aim to improve the livelihoods of marginalised producers and workers in the South. The FTAO is a joint initiative of Fairtrade International, the European Fair Trade Association and the World Fair Trade Organization-Europe. Through these three networks the FTAO represents an estimate of 2.5 million Fair Trade producers and workers from 70 countries, 24 labelling initiatives, over 500 specialised Fair Trade importers, 4,000 World Shops and more than 100,000 volunteers.

Contact:

Peter Möhringer | moehringer@fairtrade-advocacy.org | Tel: +32 (0)2 54 31 92 3

Fair Trade Advocacy Office

Village Partenaire - bureau 1 | 15 rue Fernand Bernierstraat | 1060 Brussels – Belgium

www.fairtrade-advocacy.org

Mr J. M. Barroso
President of the European Commission
Rue de la Loi 200
B-1049 Brussels

Brussels 16 December 2013

cc : Commissioner Barnier

Dear Mr President

We are writing on behalf of the trade unions, farmers in developing countries and the Fair Trade movement to express our support for the European Commission to follow up its Green Paper on Unfair Trading Practices (UTPs) by establishing an independent, credible, tough enforcement mechanism to prevent UTPs in industrial and retail supply chains, in the food and non-food sectors.

As organisations concerned about this situation, both within retail and the European and global supply chains, we have witnessed that one of the causes of precarious work, low wages and poor working conditions, low productive investment and bridled innovation, is the application of abusive purchasing practices within supply chains which serve the European market.

Experience in several EU Member States, and our participation in supply chain voluntary codes of conduct, highlight the limitations of inappropriate enforcement which does not recognise the climate of fear which exists amongst suppliers, and the highly profitable nature of UTPs which result in their continued application as long as there is no tough enforcement.

Against this backdrop we are requesting from the European Commission an enforcement mechanism which will fulfil the following criteria.

- Apply dissuasive sanctions – against UTPs.
- Initiate investigations 'ex officio' and set up anonymous complaints procedures thereby recognising the climate of fear for suppliers who complain publicly.
- Process information about UTPs confidentially.
- Coordinate enforcement across the EU to stop offenders moving their purchasing department to low-enforcement countries, acknowledging the fact that retailers and manufacturers now source on a pan-European scale which gives them enormous negotiation power, distorts the market and leads to UTPs.
- Extend the scope of enforcement to the whole chain, from the sourcing of raw materials, to intermediate goods and the assembling of the final products and retailing.

Stopping UTPs will enable suppliers to plan and invest in safer and more efficient processes, and to innovate and provide consumers with a better choice of products and services in the longer term. Stopping UTPs will also substantially reduce the transfer of risks and externalisation of costs being demanded of supply chains, which result in insecure contracts, poor working conditions, forced overtime, insecurity and

low pay of workers within the labour-intensive stages of the supply chains serving the EU market, both within & outside of the EU. Enforcement on those retailers and food manufacturers with abusive purchasing/trading relationships would take the pressure off producers, since currently they are being undermined by the offending businesses. Enforcement on large retailers and manufacturers will enable European and non-European companies, often SMEs, supplying the EU market, and their workers, to secure more and better jobs.

Businesses operating responsible and ethical businesses have nothing to fear, and much to gain, from a strict enforcement mechanism which would reduce the UTPs of their competitors, which distort and undermine the optimal functioning of the market.

We look forward to hearing what enforcement approach you would support to stop these practices that concentrate the profits in a few private firms, and spread costs and risks to the public, the environment, farmers and workers, both inside and outside the European Union.

We welcome the opportunity to meet with you to discuss this matter further.

Yours sincerely



Bernadette Ségol
General Secretary
ETUC



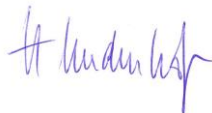
Sharan Burrow
General Secretary
ITUC



Sergi Corbalán
Executive Director
Fair Trade Advocacy Office



Ulrich Eckelmann
General Secretary
IndustriAll



Harald Wiedenhofer
General Secretary
EFFAT



Laila Castelado
Policy Officer
Uni Europa



EU's Snail Pace To Tackling Supply Chain Abuse

Brussels 31 January 2013 - Acknowledging the abusive buying practices which are widely applied in European grocery supply chains, the European Commission has just launched its European Retail Action Plan and a Green Paper on unfair trading practices. While the paper notes widespread supply chain abuses which disadvantage suppliers, it recommends running a 'twin-track' approach where one track experiments with a voluntary weak system managed by trade associations operating close to the retail end of the supply chain.

Whilst the paper is a welcome acknowledgement of the bullying practices employed in the industry, experience shows that a voluntary approach is not credible and the EU should not waste time or resources nor should it give such an approach any legitimacy.

Unfair contracts and the passing on of excessive risks and costs to suppliers not only impact upon the quality and range of the food which we are able to buy, but ultimately result in poorer working conditions for the workers and farmers who contribute their time, skills and capital to produce the food we eat. In countries where there is no free education, health, or other social security provision, poverty wages, forced overtime, and poor health and safety can have devastating consequences on families and communities.

Fiona Gooch, Traidcraft's Senior Policy Adviser, said:

"As the food industry becomes increasingly global, there must be a case for the EU to ensure some consistency and effective enforcement across all Member States. Failure to act will not only have a detrimental impact on farmers across the EU and in developing countries but will ultimately undermine European citizens' consumer choice in the long-term. Swift, tough action by the EU is needed to stop unfair business practices being applied within our food supply chains."

The UK is in the process of establishing a Groceries Code Adjudicator to hold supermarkets to account for the way they treat their suppliers, following the failure of supermarkets to abide by a voluntary code of conduct first implemented in 2000.

It is very disappointing that Europe, where supermarkets wield even more power, because the large retailers are no longer buying for their stores in one market but are now buying for their stores in several European countries is not following their example by moving directly to a similar strong enforcement mechanism able to receive anonymous complaints, initiate investigations and levy penalties to ensure fair business practices are followed.

Says Gooch

“Abusive buying practices result from businesses leveraging to their advantage the balance of power between themselves and suppliers. The EU needs to step up to the challenge, not wait to see whether a voluntary code will work. The UK experience already demonstrates that it won’t.”

For further information, contact for Traidcraft is Fiona Gooch +44 207 242 3955;
0789 4066449

Notes to Editor

- **Traidcraft** fights poverty through trade, helping people in developing countries to transform their lives. Established in 1979, Traidcraft runs development programmes in some of the poorest countries in the world, and campaigns in the UK and internationally to bring about trade justice. Contact for Traidcraft is Fiona Gooch +44 207 242 3955
- **The Fair Trade Advocacy Office** (FTAO) speaks out for Fair Trade and trade justice with the aim to improve trading conditions for marginalised producers and workers in the South. It is a joint initiative of the European Fair Trade Association (EFTA), Fairtrade International (FLO) and the World Fair Trade Organization-Europe (WFTO-Europe). These networks bring together over 2 million Fair Trade producers from more than 60 countries, 24 labelling initiatives, hundreds of specialized Fair Trade importers, over 3000 Worldshops and more than 100,000 volunteers. More information under www.fairtrade-advocacy.org

New report says fair play in grocery supply chain needed EU-wide

A new report has backed up calls for an effective adjudicator to police the UK Groceries Supply Chain Code of Practice. But the international reach of some major retail chains means wider EU measures have to be considered to ensure fair play for farmers and consumers.

23 April 2012

Development organisation Traidcraft, the NFU and EU farm organisations Boerenbond and Coldiretti, commissioned the report to identify how the European Union can take steps to tackle unfair commercial practices in dealings between retailers and suppliers. The report reveals that at least 10 EU Member States have already taken steps at a national level to root out bad practice, while a further five are in the process of implementing measures.

Speaking about the report, by the British Institute for International and Comparative Law (BIICL), NFU Director of Corporate Affairs, Tom Hind said: "The challenges that suppliers face in dealing with abusive behaviour from supermarkets and other big businesses is not unique to British farmers but to those in developing countries and other parts of the EU. That's why we felt it was important to collaborate on this important research.

"The absolute priority at this stage must be to get the Groceries Code Adjudicator up and running to enforce the existing Groceries Supply Chain Code of Practice and curb the abuse that regrettably carries on here in the UK. The UK Government has to act swiftly, taking a lead in the next Queen's speech on 9 May."

Fiona Gooch, Policy Adviser at Traidcraft, said: "It is also really important that we look beyond the UK. As the food industry becomes more multinational increasingly there will be a case for the EU to ensure some consistency and effective enforcement across all member states. Failure to act would not only have a detrimental impact on farmers across the EU and in developing countries but ultimately undermine consumer choice in the long-term."

The report outlines a range of possible enforcement options that EU policy makers could consider and suggests that a framework of solutions may be the most suitable approach. In making the decision of how to regulate these issues, the EU should consider the following characteristics of enforcement identified in this study as being favourable including:

- Standards based on the idea that a retailer must deal with its suppliers fairly, lawfully and in good faith, without duress and in recognition of its suppliers' need for certainty (i.e., a foundation of fair dealing);
- A framework to adequately address unreasonable imbalances of bargaining power;
- The creation of a dedicated adjudicator or ombudsman;
- Routine publication of reports in the food sector to identify good and bad practice;
- A mechanism to allow anonymous complaints;
- Use of enforcement measures with 'teeth', e.g., financial penalties.
- An approach regulates conduct through the imposition of obligations to change business structures;

The report will contribute to the debate taking place among EU institutions. In January 2012 the European Parliament adopted a resolution on imbalances in the food distribution chain. The European Commission is also discussing these issues and has convened a High Level Forum for a Better Functioning Food Chain that is due to complete its work this summer.

-ENDS-

For more information or to arrange an interview with Fiona Gooch, please contact Victoria Lamb on 0191 4976418 or at victorial@traidcraft.co.uk.

Notes to editors

- "Models of Enforcement in Europe for Relations in the Food Supply Chain" report was produced by British Institute of International and Comparative Law (BIICL). For a copy of the report click [here](#).
- The report was commissioned by commissioned by Traidcraft UK, NFU, Consumers International, Hungarian Association of Conscious Consumers, Dutch Centre for Research on Multinational Corporations (SOMO), Oxfam Germany, catholic Christliche Initiative Romero (CIR), Fair Trade Advocacy Office, as well as national farming organisations of Belgium (Boerenbond), Italy (Coldiretti) and the UK.