

THE SPANISH FOOD CHAIN LAW



Law 12/2013, amended in 2015 and 2021

GOAL

To protect farmers and livestock producers by preventing sales below the effective cost of production.

Inspired by rural protests and the need for fairer relationships between producers, processors and retailers.

WHAT DOES THE LAW DO?

The law regulates commercial relations within the agri-food supply chain, ensuring:

- Transparent and written contracts
- Fair pricing that covers production costs
- Prohibition of unfair trading practices



Key change

Buyers cannot pay less than the producer's effective cost (verifying cost has proved to be complex), nor sell below their buying price.

COURT CHALLENGES AND IMPACT

1

Difficulty of proof – Courts demand individualised cost data.

2

No standard method – Each case is judged differently.

3

Burden of proof – The proof in case of infringement belongs to the buyer, who has no means to verify the declaration made by the producers.

4

Procedural errors – Some fines annulled due to lack of transparency.

Judges have emphasised that generic cost estimates are not valid evidence.

ONGOING CHALLENGES

Lack of reliable, individualised data of the producer

Transparency gaps across the chain

CONCLUSION

The producer's lack of knowledge of production costs, is leading to government intervention by setting reference prices.

Farmers think this law is not working properly.

The Spanish retail sector sanctions are minimal.

CASE STUDY – NATIONAL COURT (2025)

Company X (supermarket) was fined €66,000 for allegedly purchasing milk below cost.

Defence

The company said it had no access to the data or method used by the competent control authority to calculate that cost - creating legal uncertainty and lack of defence.

Court ruling

The court annulled the sanction, stating that the lack of transparency in the cost calculation created legal uncertainty and lack of defence for X enterprise.

The case exposed one of the law's main weaknesses – its enforcement depends on clear, verifiable data and shared criteria between authorities, producers and buyers.