

UTP Directive Review: Let's focus on farmers while protecting consumers and the Single Market

The 2019 Unfair Trading Practices (UTP) Directive aimed to protect farmers and processors with a turnover of up to €350 million from unfair practices in relations with their larger buyers. The European Commission (as well as national evaluations) explains that it is too early and difficult to say whether it has achieved its goal, while its transposition has resulted in **significant national divergence** and restricted mutually beneficial agreements. EuroCommerce calls for a **targeted review** to bring the UTP Directive back to its original aim by focusing on improving the situation of SME farmers and processors.

1. Removing or extending turnover thresholds benefits large manufacturers – not farmers

We need to go back to the original aim of the UTP Directive and protect SME farmers against certain practices of their larger buyers. The turnover thresholds of the revised Directive should reflect this goal and be harmonised at the EU level to avoid a fragmented Single Market.

Retailers and wholesalers mostly sell processed goods to customers and have few direct relations with farmers. Most farmers sell to other agricultural businesses (e.g. animal feed), to food processing ([70% of their output](#)) or to export markets.

Restricting the ability of retailers and wholesalers to negotiate with large brands only improves the position of those large multinational manufacturers, not farmers. It also hurts consumers.

Large brands are generally highly profitable leaders in their product categories and impose unfair practices on their buyers, like territorial supply constraints and other unilateral demands. [Germany's Monopolies Commission](#) clearly explained that there is no such thing as a positive 'cascade' effect on farmers if the position of large manufacturers is improved; *it is neither evident nor theoretically plausible that agricultural businesses benefit when manufacturers prevail in legal disputes with retailers.*



The EU must refocus the Directive to protect small farmers and SMEs, rather than empowering powerful multinationals.

2. Awareness, not fear, is the main barrier to effectiveness

We need more data to assess the effectiveness of the UTP Directive. There has been limited enforcement, but this is not due to any fear factor. Member States have established complaint mechanisms which can also guarantee anonymity, but these are not being used. This is because awareness remains low:

- **38% of farmers** were unaware of the Directive in 2024.
- **70% of small suppliers** did not know they could file complaints.



Before expanding EU rules, we must ensure that existing rules are used. The EU should focus on awareness-raising campaigns and clear guidance for farmers.

3. A strong, competitive Single Market protects affordability and competitiveness for the benefit of consumers

- Price is the **top factor** in food purchasing decisions. **100 million EU citizens** live below the poverty line and are highly exposed to food inflation.
- Disproportionate regulatory costs squeeze already low margins (1–3%) and fuel inflation.
- Broad prohibitions (e.g. general clauses or price regulation) create **legal uncertainty** and are difficult to enforce. Interfering with price formation (for example, by prohibiting buyers from buying below the farmers' production costs) will not achieve its aim but will undermine the competitiveness of the EU at home and abroad.
- Prohibitions that make it difficult to buy and sell in the Single Market raise consumer prices by reducing the advantages of its size and choice. Similarly, placing restrictions on the development or availability of private-label products reduces choice, weakens competition, and increases prices.
- Grey practices, if mutually agreed upon upfront and in unambiguous terms, can bring win-wins for both parties to a commercial transaction and should therefore always be possible.
- Retailers and wholesalers need to invest to remain competitive and ensure daily food availability, particularly through crises (COVID-19, supply chain shocks, natural disasters, blackouts). They provide 10 million local jobs and keep local and rural communities lively.



A concise and clear set of both black and grey practices that do not interfere with market or price-setting mechanisms is the best way to protect farmers without burdening consumers or undermining competitiveness.

4. UTP rules will not solve challenges in farming

The core challenges affecting farmers and primary producers are structural, not commercial, and include climate change, water scarcity, high costs, lack of investment and excessive administrative burden.

Long-term resilience for farmers requires:

- Better organisation at farm level (e.g. in producers' organisations);
- Increased competitiveness for farmers by targeted support;
- Better access to finance, insurance, digitalisation and technology; and
- Encouraging collaboration across the chain.



Farmers face substantive challenges which require different responses and measures. A supply chain approach, grounded in open markets, cooperation and dialogue, delivers more for farmers than regulation of UTPs.

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