EuroCommerce
Retail & Wholesale

Briefing Note

10 February 2026

UTP Directive Review: Ensuring Fairness for Farmers, Stability for Consumers, and Integrity of the Single Market

The 2019 Unfair Trading Practices (UTP) Directive aimed to protect farmers and processors with a turnover below €350 million from unfair practices. Its transposition has resulted in **significant national divergence** and restricted mutually beneficial agreements. EuroCommerce calls for a **limited review** to bring coherence and ensure the Directive focusses on improving the situation of small farmers and processors as intended.

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

The Directive and related national rules already provide tools for farmers to raise concerns, including anonymous complaints. Yet 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.**

2. Removing turnover thresholds would benefit large manufacturers—not farmers

Focusing on retail practices does not impact farmers. Retailers mostly sell processed goods to consumers. Most farmers sell to other farmers (e.g. animal feed) or to food processing (70% of their output).

More specifically, restricting the ability of retailers to negotiate with large brands only improves their position, not farmers. It also hurts consumers.

Large brands are generally highly profitable and impose unfair practices on their buyers, like territorial supply constraints and other unilateral demands. Germany's Monopolies Commission confirms that '*it is neither evident nor theoretically plausible that farmers benefit when processors prevail in legal disputes with retailers*'.

! **The EU must maintain the Directive's focus on those it was created to protect, small farmers and SMEs, rather than empowering powerful multinationals.**

3. Proportionate rules and the Single Market protect affordability and competitiveness

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.
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.
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 list of UTP prohibitions proven to help farmers is the best way to protect them without burdening consumers or undermining competitiveness.**

4. UTP rules alone cannot solve all challenges in farming

Long-term resilience for farmers requires:
- Stronger cooperatives and Producer Organisations;
- Better access to finance, insurance and technology;
- Support for digitalisation;
- Encouraging collaboration across the chain.

! **A whole chain approach, grounded in dialogue, cooperation and open markets, delivers more for farmers than UTP regulation alone.**

Policy Priorities

1. Increase awareness of existing UTP rights and complaint tools.
2. Keep the focus on small farmers and processors.
3. Allow free negotiation between large multinational suppliers and large retailers.
4. Strengthen the Single Market for consumer's benefit.
5. Avoid complex or broad rules that create uncertainty or interfere with price setting.
6. Adopt measures for farmers to invest, digitalise, cooperate and manage risks.
7. Promote whole-chain dialogue and build on retailers' knowledge of consumer needs.

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