

## **Agriculture Crisis: EuroCommerce calls for dialogue, not confrontation in agricultural supply chain**

At a round table hosted in the European Parliament today by MEP Paolo de Castro, involving a number of MEPs, farming representatives and other stakeholders, EuroCommerce encouraged further supply chain dialogue to identify common long-term solutions in order to support farmers, and called on the European institutions to refrain from legislation on unfair trading practices.

*"It is true that 'no farmers - no retailers', but the reverse is also true: 'no retailers, no farmers'. We depend on each other. Instead of blaming one another, we believe that dialogue rather than confrontation is more likely to produce positive results"* said Christian Verschueren, EuroCommerce Director-General. *"Together, we need to build up stronger cooperation, better information flows, improved sharing and learning. All these can enable the sectors to find solutions together when faced, as we are now, with a common problem"*.

Christian Verschueren added: *"The current crisis is mainly the result of surplus production globally, exacerbated by the Russian embargo and a drop in Chinese consumption, the lifting of milk quotas, stagnating consumption and changing dietary habits in Europe. This comes on top of pre-existing structural issues in certain member states and sectors"*.

Over the summer, retailers across the EU have shown solidarity through concrete action and dialogue with farmers and suppliers. They have provided immediate help to boost farmers' income. They are ready to take this forward and seek to help farmers address some of the longer-term problems which the present debate has largely ignored.

During the round table, EuroCommerce reiterated the importance of maintaining a market-oriented agricultural policy that respects the single market. Within that context, retailers are committed to help finding long-term solutions to anticipate and mitigate the impact of price volatility. These include inter alia:

- more efficient organisation of markets, to strengthen farmers' position on the market where this is needed, for example through Producer Organisations;
- sharing of best practice and market intelligence, e.g. strengthening the Milk Market Observatory and supporting supply chain dialogue;
- financial instruments to protect farmers from price volatility;
- market access and export promotion;
- higher value-added production on the farm, allowing the development of economies of scale, and thus reducing the price gap with standard production.

EuroCommerce called on the European institutions to refrain from EU-level regulation of unfair trading practices and to continue to support the momentum achieved through the Supply Chain Initiative. The initiative is aimed at promoting fair practice as a firm basis for commercial relations and encouraging businesses to deal with their disputes in a way that allows business relationships to continue, rather than litigation, which breaks them.

There is no one-size-fits-all solution which can work across the EU and equally, no strong case for EU-level regulation. This would only add additional burdens to everyone involved and do little to help remedy what we recognise nevertheless is a real issue. In addition, most relationships are with national suppliers. Detailed solutions have to be found at national level. In contrast to the arguments put forward in recent weeks, retailers actually have relatively few direct commercial relationships with farmers and even fewer across the borders of EU member states.



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