

CALL FOR EVIDENCE FOR AN IMPACT ASSESSMENT

TITLE OF THE INITIATIVE	Revision of EU rules on business-to-business unfair trading practices in the food supply chain
LEAD DG (RESPONSIBLE UNIT)	DG AGRI Unit E.1 Governance of agri-food markets
LIKELY TYPE OF INITIATIVE	Proposal for a Directive of the European Parliament and of the Council
INDICATIVE TIMETABLE	Q3/2026
ADDITIONAL INFORMATION	Unfair trading practices - European Commission

This document is for information purposes only. It does not prejudge the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described, including its timing, are subject to change.

A. Political context, problem definition and subsidiarity check

Political context

[Directive \(EU\) 2019/633](#) on unfair trading practices in the agricultural and food supply chain ('UTP Directive') aims to protect farmers and small suppliers with an annual turnover below EUR 350 million from 16 unfair practices unilaterally imposed by more powerful buyers. It ensures a minimum standard of protection across the EU and also applies to suppliers and buyers located outside the EU, provided one of the parties is located within the EU.

In her [Political Guidelines 2024-2029](#), President von der Leyen called to correct existing imbalances in the food chain, strengthen farmers' position, and further protect them against unfair trading practices. This is reflected in the mission letter of President von der Leyen to Commissioner Hansen, which tasked the Commissioner with, *inter alia*, ensuring that farmers have a fair and sufficient income and are not forced to systematically sell their produce below production costs. With its ['Vision for Agriculture and Food'](#), the Commission has undertaken to further investigate the legal framework on unfair trading practices and propose further initiatives to address the principle that farmers should not be forced to systematically sell their produce below production costs, while preserving the market orientation of the Common Agricultural Policy. The [evaluation](#) carried out by the Commission in line with Article 12 of the UTP Directive provides a basis for the revision of the UTP Directive.

Problem the initiative aims to tackle

Despite progress since the adoption of the UTP Directive, farmers and small suppliers remain exposed to unfair trading practices ('UTPs') stemming from significant power imbalances in the food supply chain. At the same time, there is scope for further action, in particular regarding the Directive's contribution to the economic viability, resilience, and competitiveness of the agricultural sector. The core problem is imbalances in bargaining power within the agri-food supply chain. Many weaker actors, particularly farmers and small suppliers, face pressure to accept UTPs, which hinders the fair functioning of the food chain.

Experience with the Directive shows that several interrelated drivers sustain UTPs:

- **Entrenched market imbalances:** the shocks of recent years, from the Covid-19 pandemic and the war in Ukraine to the ensuing inflationary crisis, have exposed the vulnerability of the agrifood supply chain, sometimes deepening and exacerbating imbalances as well as reducing transparency to the detriment of the agri-food sector.
- **Lack of awareness and transparency:** farmers and small suppliers may not be aware of their rights under the Directive or of available enforcement mechanisms.
- **Fear of retaliation and dependency:** farmers and small suppliers often refrain from lodging complaints due to fear of losing market access or worsening their business relationships with buyers.

Regulatory gaps: the UTP Directive does not cover certain UTPs, including because these are emerging or new UTPs or because certain transactions may be structured in ways that circumvent its rules. Some suppliers fall beyond current turnover thresholds under the UTP Directive and may therefore not be covered by the current framework, even though it was meant to protect weaker suppliers. In addition, as some farmers find themselves in unfair situations where they are systematically forced to sell below their cost of production, there is a need to improve the UTP Directive's contribution to the economic viability of farmers.

- **Uneven application of the Directive and inconsistent enforcement:** There are differences in how Member States implement and enforce the UTP Directive. Furthermore, proactive investigations are underused in some Member States, which can create inconsistent levels of protection across the EU.
- **Monitoring weaknesses:** the lack of consistent, complete and comparable data hampers the possibility to systematically track the evolution of UTPs across the EU and across sectors, making it harder to identify emerging needs or trends and build on lessons learned to improve the regulatory framework.

Without further EU action, the problems identified above are likely to persist or worsen. Small suppliers' enduring dependence on buyers and fear of retaliation, fragmentation, and enforcement gaps will continue to discourage reporting, weaken the UTP Directive's deterrent effect, and allow UTPs to go unaddressed. New UTPs may emerge, and some weaker suppliers may remain beyond the Directive's protective scope. Unaddressed UTPs also risk undermining the resilience of farmers or small suppliers and expose them to higher economic risks, particularly in the case of young farmers and those supplying perishable goods.

Basis for EU action (legal basis and subsidiarity check)

Legal basis

The legal basis for the UTP Directive is Article 43(2) of the Treaty on the Functioning of the EU ('TFEU'). The revision of the current legal text will therefore follow the same legal basis.

Practical need for EU action

UTPs often involve cross-border transactions within the internal market and a different treatment in each Member State can affect the level playing field within the EU. Coordinated EU action and more harmonised rules both on the substance and its enforcement is necessary to ensure a consistent level of protection for farmers and small suppliers and to avoid fragmentation of the internal market.

The UTP Directive already provides for a minimum level of harmonisation by establishing a list of UTPs that buyers are prohibited from imposing on suppliers. It lays down minimum rules on the enforcement of those prohibitions and on cooperation between the enforcement authorities ('EAs'). The results of the evaluation show the need to address remaining gaps and challenges and the need to reflect on the necessity of additional measures to support the economic performance of the agricultural sector and the food supply chain as a whole.

The issues identified above cannot be solved by Member States acting alone. Any new measures are therefore best implemented at EU level.

B. Objectives and policy options

The general objective of the UTP Directive is to protect farmers and small suppliers, who often find themselves in a weaker position when dealing with larger, more powerful buyers, by prohibiting UTPs that grossly deviate from the principles of good commercial conduct, good faith and fair dealing and might be unilaterally imposed by one trading partner on the other. This objective remains unaltered in this revision.

The main areas for which a revision may be warranted are (A) enhancing enforcement and addressing suppliers' 'fear factor', and (B) addressing the uneven performance of the UTP Directive to strengthen the economic viability of farmers and small suppliers.

A) Enhancing enforcement and addressing suppliers' 'fear factor'.

Options under this objective could include:

1. Enforcement.
 - Streamlining of procedures and of the powers of enforcement authorities

- Setting up mediation or advisory services
- Improving means of redress
- 2. Complaints and addressing the “fear factor”
- Improving framework to issue complaints
- Strengthening confidentiality and anonymity requirements.
- Introducing anti-retaliation mechanisms

B) Addressing the uneven performance of the UTP Directive to strengthen the contribution of the UTP Directive to the economic viability of farmers and small suppliers.

Options under this objective could include:

- Reviewing the scope of protection
- Reviewing the degree of harmonisation
- Improving monitoring arrangements
- Introducing new prohibited UTPs, including in order to address the principle that farmers should not be forced to systematically sell their products below production costs
- Introducing a general clause able to cover new emerging UTPs.
- Introducing new provisions ensuring the anti-circumvention of the prohibitions under the UTP Directive.

In addition to a reflection of the scenarios listed above, the Commission will pay special attention to the choice of instruments to deliver on these objectives (including soft law, such as codes of practices, guidelines, etc.) and possibilities for simplification and regulatory burden reduction.

C. Likely impacts

The initiative is expected to:

- Improve the economic viability of farmers and small suppliers;
- Reduce occurrences of UTPs, including cases where farmers are being forced to systematically sell below production costs;
- Enhance the functioning and fairness of the internal market in the agri-food sector;
- Strengthen the enforcement capacity of national enforcement authorities;
- Support sustainability and resilience objectives in the food supply chain.

The Commission will assess impacts on businesses, especially farmers, small suppliers and other SMEs, administrative burden, and the broader economic, social, and environmental effects. The costs and benefits of the various options will be investigated and quantified wherever possible.

The revision of the UTP Directive will contribute to the achievement of several Sustainable Development Goals, notably SDG 2 (Zero Hunger) by helping farmers and small suppliers secure a fair standard of living and strengthening food security, SDG 8 (Decent Work and Economic Growth) by fostering fairer trading relations and a level playing field in the agri-food chain, and SDG 10 (Reduced Inequalities) by addressing power imbalances between farmers and small suppliers and buyers.

D. Better regulation instruments

Impact assessment

An impact assessment will underpin the preparation of this initiative and the Commission’s decision on the revision of the UTP Directive. An external support study will be used to support the work on the impact assessment. The revision will build on the recent evaluation of the UTP Directive and a study on regulatory and voluntary schemes for fair agricultural remuneration.

Additional data will be collected on the structure of cooperatives and SMEs in the food chain, UTPs in fisheries and aquaculture sector, and the distribution of added value within the supply chain, also based on the analytical work of the JRC.

Consultation strategy

The consultation process aims to collect evidence and stakeholder feedback to support the preparation of the Commission’s impact assessment accompanying the revision of the UTP Directive. It will gather views on the challenges in the agri-food supply chain, possible policy options to address them, and their likely impacts, including on farmers and small suppliers, other SMEs, buyers, enforcement authorities, and the functioning of the internal market. The consultation activities will include:

- A Call for Evidence, open for feedback for 12 weeks via the Have Your Say portal.
- A Public Consultation, launched in parallel, also open for 12 weeks via the Commission's public consultations page. The questionnaire will be available in all 24 official EU languages. A summary of the results will be published within eight weeks after closure.
- An Implementation Dialogue chaired by Commissioner Hansen, responsible for agriculture and food, in Q1-2026
- Targeted surveys for key groups, including enforcement authorities, farmers, suppliers, and buyers to gather detailed, technical, and operational insights.
- An SME Panel (planned for December 2025 to March 2026) to assess potential impacts on small and medium-sized enterprises, including administrative burden, competitiveness, and proportionality.
- Workshop with Agricultural ministries and UTP enforcement authorities (planned for Q1-2026) to test enforcement-related policy options, share implementation experiences, and discuss possible improvements.
- Reality check with stakeholders (planned for Q1-2026) to present, test, and refine policy options, with a dedicated focus on addressing situations where farmers are forced to systematically sell below production costs.

In line with the European Commission's Better regulation policy to develop initiatives informed by the best available knowledge, we also invite scientific researchers, as well as academic organisations, learned societies, and scientific associations with expertise in the policy fields linked to initiative, to submit relevant published and pre-print scientific research, analyses and data. We are particularly interested in submissions that synthesise the current state of knowledge in relevant field.

Why we are consulting?

The consultation process aims to collect evidence and stakeholder feedback to support the preparation of the Commission's impact assessment that will inform the revision of the UTP Directive. It will gather views on the challenges in the agri-food supply chain, possible policy options to address them, and their likely impacts.

Target audience

Farmers, suppliers and buyers of agricultural products and food products using agricultural products, authorities, associations, SMEs, NGOs, scientific community and the general public.