

## Models of Enforcement in Europe for Relations in the Food Supply Chain

1. BIICL has completed a study identifying how the European Union can take steps to ensure fair play in the grocery market. The report looks at how EU member states have tried to tackle unfair commercial practices in dealings between retailers and suppliers. This report was commissioned by farm organisations Boerenbond, Coldiretti and National Farmers Union as well as Consumers International, Association of Conscious Consumers Hungary, Centre for Research on Multinational Corporations (SOMO) Netherlands, Oxfam Germany, Christliche Initiative Romero (CIR) Germany, Traidcraft, UK, Fair Trade Advocacy Office.
2. Of 15 member states reviewed, 10 have already taken steps to inhibit unfair and imbalanced commercial relationships using a combination of both soft and hard legislative measures. Five other Member states are currently in the process of implementing measures to address the same problem.
3. The report outlines a range of possible enforcement options that EU policy makers could consider and suggests that a framework of solutions may be the most suitable approach. In making the decision of how to regulate these issues, the EU should consider the following characteristics of enforcement identified in this study as being favourable including:
  - Standards based on the idea that a retailer must deal with its suppliers fairly, lawfully and in good faith, without duress and in recognition of its suppliers' need for certainty (i.e., a foundation of fair dealing);
  - A framework to adequately address unreasonable imbalances of bargaining power;
  - The creation of a dedicated adjudicator or ombudsman;
  - Routine publication of reports in the food sector to identify good and bad practice;
  - A mechanism to allow anonymous complaints;
  - Use of enforcement measures with 'teeth', e.g., financial penalties; and
  - An approach regulates conduct through the imposition of obligations to change business structures.