

# AGRI-FOOD SUPPLY CHAIN

ANNUAL REPORT 2024



# V. AGRI-FOOD SUPPLY CHAIN

In addition to its tasks in the field of competition law, the Competition Authority is competent to defend the interests of **suppliers in the agricultural and food supply chain** vis-à-vis their more powerful buyers.

Some large operators in the agricultural and food supply chain with significant bargaining power over their suppliers may be tempted to abuse their position to impose unfair trading practices.

To better protect farmers and small operators from such practices, the <u>Law of 1June 2021 on business-to-business relations in the agricultural and food supply chain</u> prohibits certain unfair trading practices between suppliers and buyers of agricultural and food products and lists certain practices that can only be authorised with clear prior agreement. This law transposes Directive (<u>EU</u>) 2019/633 on unfair commercial practices in business-to-business relationships in the agricultural and food supply chain into Luxembourg law.

A supplier who considers himself to be the victim of unfair trading practice prohibited by law may lodge a complaint with the Authority.

The Authority is therefore competent to defend the collective interests of all potential suppliers of companies which may be the subject to investigations, namely:



around 20 major food distributors<sup>17</sup> with a turnover of more than €2 million



**around 60 establishments** (wholesalers, importers, processors, cooperatives, agricultural associations, etc.) identified as intermediaries



some 1,870 farm businesses<sup>18</sup> (agriculture, viticulture, horticulture, etc.)



some **241 small food businesses**<sup>19</sup> all potentially protected by law.

#### **AGRI-FOOD CHAIN DEPARTMENT**

Given the resources available and the distribution of the workload for each of its areas of competence, the Authority has not set up a separate department to deal with complaints about unfair trading practices in the agricultural and food supply chain.

The work is carried out by two staff members when needed.

https://www.cdm.lu/mediatheque/media/chiffres-cles-de-l-artisanat-2022

<sup>&</sup>lt;sup>17</sup> Competition Council - Questionnaire on the Law of June 2021 on business-to-business relations in the agricultural and food supply chain (2022)

<sup>&</sup>lt;sup>18</sup> Chamber of Agriculture - Luxembourg agriculture in figures (2021) https://www.lwk.lu/fr/consommateur/lagriculture-luxembourgeoise-en-chiffres

<sup>&</sup>lt;sup>19</sup> Chamber of Crafts - Key figures for Crafts 2022

In 2024, the Authority did not receive any formal complaints about possible unfair trading practices in the agricultural and food supply chain.

The particularly small size of the domestic market and the high concentration of buyers with significant bargaining power could discourage small operators from reporting possible situations of concern. The Authority has therefore chosen to strengthen its awareness-raising and cooperation activities, in particular at national level.

# COOPERATION AT NATIONAL LEVEL

#### RAISING AWARENESS AMONG PLAYERS IN THE SECTOR ON GUICHET.LU

In 2024, the Authority continued its collaboration with the editorial team of *guichet.lu*, which has been disseminating, since 2023, the steps open to operators in the agricultural and food supply chain to lodge a complaint with the Authority against their more powerful buyers.

This gives suppliers access to the necessary information in French, German and English.

## COOPERATION WITH THE MINISTRY OF AGRICULTURE, FOOD AND VITICULTURE

On 30 September, the Authority participated in an exchange of views with representatives of the <u>Rural Economy Department of the Ministry of Agricultur Food and Viticulture</u>, concerning, inter alia, the monitoring of the Agri-Food Chain Observatory (AFCO) and the Unfair Trading Practices (UTP) Enforcement Network.

On 18 October 2024, the Authority also received the Minister for Agriculture and Consumer Protection, Martine Hansen, to discuss the respective competences and areas of cooperation between the Ministry and the Authority. In this context, the Authority presented its activities in combating unfair trading practices that may affect small and medium-sized enterprises and producers in the agricultural and food supply chain.

## COOPERATION AT EUROPEAN LEVEL

#### Unfair Trading Practices Enforcement Network

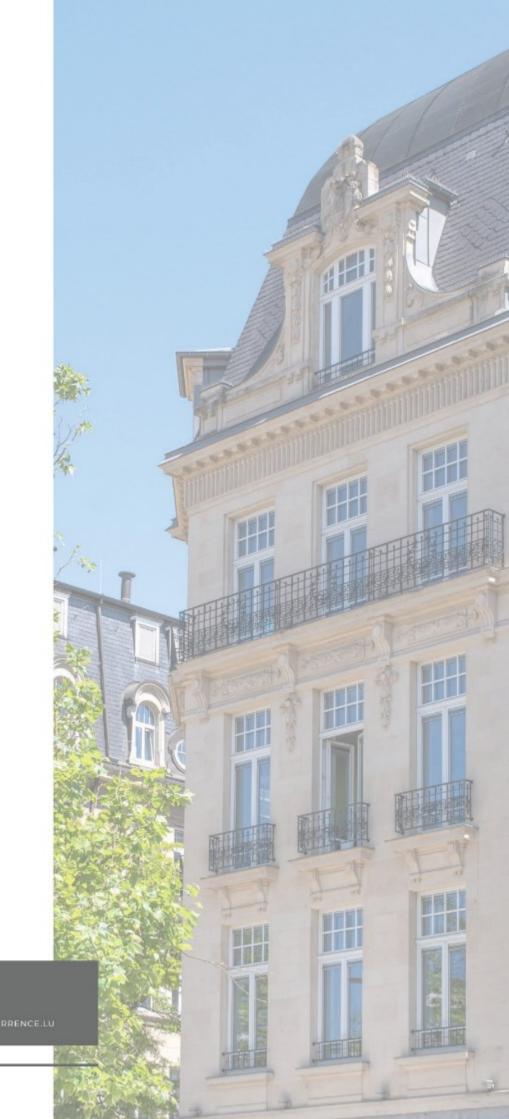
On 19 June, the Authority participated in a joint meeting of law enforcement officials and investigators in the framework of the Unfair Trading Practices (UTP) Enforcement Network.

#### EU AGRICULTURAL AND FOOD SUPPLY CHAIN OBSERVATORY

On 17 July and 15 October, the Authority attended the meetings of the EU Agri-Food Chain Observatory.

#### GERMAN FEDERAL OFFICE FOR AGRICULTURE AND FOOD

The Authority provided assistance to the German Federal Office for Agriculture and Food (Bundesanstalt für Landwirtschaft und Ernährung) in a case concerning potential unfair trading practices in agri-food supply.



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