

# Better protection for farmers against unfair trading practices: Council agrees its negotiating position

On 1 October 2018, EU member states meeting in the Special Committee on Agriculture (SCA) reached agreement on the Council's negotiating position on the Commission's proposal for fairer **relations in the agri-food sector between small farmers and processors, and their larger trading partners.**

The SCA also asked the presidency to **start negotiations** with the European Parliament as soon as the Parliament is ready.

This legislation will put an end to practices such as late payments and retroactive changes to contracts. Farmers will soon have more effective ways of defending themselves from unilateral abuses by large operators. We want a fair agri-food system that rewards farmers for quality, and guarantees them a fair standard of living.

*Elisabeth Koestinger, Austrian federal minister of agriculture, forestry, environment and water management and president of the Council*

The **distribution of value** in the food chain has often proved to be **unfair in the past**, with farmers only getting a small share of the price paid by consumers for food in the supermarket. As agricultural producers are largely small and medium sized businesses (SMEs), the ability of big operators to use their much larger bargaining power to impose unfair trading practices (UTPs), has been a major factor in this phenomenon.

The Council position builds on the Commission's proposal for a directive which will create a common European framework granting a **minimum level of protection for farmers** against the most obvious UTPs, such as **late payments** for perishable food products, **last minute order cancellations, unilateral and retroactive changes to contracts**, and obligations on the supplier to pay for **wasted products**.

While the Council position **maintains the scope** of the Commission proposal (certain UTPs which occur in relation to the sale of products by a supplier that is an SME to a buyer that is not an SME) it further improves it by:

- including **agricultural products other than food**
- making it **possible** for suppliers to **lodge a complaint in their own member state** and
- clarifying that member states have the possibility of **maintaining or introducing rules** against UTPs that are **stricter** than those at European level.

## Next steps

Negotiations with the European Parliament will start as soon as the Parliament has agreed its stance.

A qualified majority is needed for adoption by the Council, in agreement with the European Parliament.

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## [ESAs highlight the relevance of legislative changes for the Key Information Document for PRIIPs](#)

Additionally, to support such changes, as well as to address key issues that have arisen from the practical application of the Key Information Document (KID) for Packaged Retail and Insurance-based Investment Products (PRIIPs), the ESAs intend to propose targeted amendments to the PRIIPs Delegated Regulation.

Taking into account the time needed for the co-legislators to scrutinise any amendments to the Delegated Regulation, the ESAs intend to submit proposals to the European Commission in the first quarter of 2019. As part of this process, the ESAs intend to launch a short public consultation during the fourth quarter of this year.

### Background

The ESAs' letter responds to two letters received from the European Commission in [July](#) and [August](#) stating a deferral of the review of the PRIIPs Regulation and requesting guidance from the ESAs regarding the information to be disclosed for investment funds.

**The KID for PRIIPs** is a mandatory, three-page A4 information document to be provided to consumers before purchasing a PRIIP. PRIIPs include for example funds, structured products, unit-linked and with-profits life insurance contracts, and structured deposits.

**The PRIIPs Regulation** defines the **main rules and principles** for KIDs. It is supplemented by a Delegated Regulation specifying the presentation and contents of the KID, which is based on Regulatory Technical Standards that the ESAs were mandated to develop.

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## **ESAs highlight the relevance of legislative changes for the Key Information Document for PRIIPs**

□Today, the European Supervisory Authorities (ESAs) wrote a [letter](#) to the European Commission expressing their concerns regarding the possibility of duplicating information requirements for investment funds from 1 January 2020 and the importance of legislative changes to avoid such a situation.

For more information, please see the [website](#) of the Joint Committee of the European Supervisory Authorities.

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## **ESMA LETTER TO EUROPEAN COMMISSION ON MIFID II/MIFIR THIRD-COUNTRY REGIMES**

The letter highlights a number of items, which are relevant in the context of the United Kingdom's withdrawal from the European Union, in particular:

- Concerns regarding the MiFIR regime for third country firms providing investment services and activities to eligible counterparties and *per se* professional clients;
- Concerns regarding the MiFID II regime for third country firms providing investment services and activities to retail and professional clients on request;
- Third country firms providing investment services and activities at the exclusive initiative of EU clients (reverse solicitation); and
- Investment firms outsourcing critical or important functions other than those related to portfolio management to third country providers.

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## **Statement on the deadly earthquake and**

# tsunami in Indonesia

High Representative/Vice President Federica Mogherini and Commissioner for Humanitarian Aid and Crisis Management, Christos Stylianides issue the following statement:

Hundreds of people have lost their lives as yet another deadly natural disaster has hit Indonesia.

Our thoughts are with the victims and all affected as well as with the first responders who are working hard to save lives under very difficult conditions. We express our condolences to those who have lost loved ones.

The European Union stands by the people and authorities of Indonesia at this difficult time and we have offered our full support.

The EU has already activated its emergency Copernicus satellite mapping service to assist the authorities. We continue to closely monitor the situation and we are ready to mobilise more assistance.