SENATE OF REPUBLIC

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**RESOLUTION**

**OF THE 4TH STANDING COMMITTEE**

# (European Union Policies)

(*Rapporteur* MURELLI)

*adopted at the sitting of 9 April 2025*

ABOUT

# PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON COOPERATION BETWEEN ENFORCEMENT AUTHORITIES TO ENFORCE DIRECTIVE (EU) 2019/633 CONCERNING UNFAIR BUSINESS-TO-BUSINESS COMMERCIAL PRACTICES IN THE AGRICULTURAL AND FOOD SUPPLY CHAIN (COM(2024) 576)

AND ON THE

# PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATIONS (EU) NO 1308/2013, (EU) 2021/2115 AND (EU) 2021/2116 AS REGARDS REINFORCING THE POSITION OF FARMERS IN THE FOOD SUPPLY CHAIN (COM(2024) 577)

*pursuant to Rule 144(*1a*) and (6) of the Rules of Procedure*

# Communicated to the Presidency on 9 April 2025

The Commission,

examined the proposal for a regulation (COM(2024) 576), which aims to strengthen cooperation between national law enforcement authorities in cross-border cases of unfair trading practices in the food and agricultural supply chain, in order to provide greater protection for suppliers of agricultural products and foodstuffs, given the difficulties encountered in gathering information, detecting infringements and imposing sanctions, when a buyer is established in another Member State;

also examined the proposal for a regulation (COM(2024) 577), which aims to strengthen the position of farmers in the food supply chain;

recalled that the agricultural sector has been in difficulty for some time, exacerbated by a succession of adverse conditions, including the Covid-19 pandemic and Russia's current war of aggression against Ukraine, which have led to an unprecedented increase in the cost of energy-related agricultural inputs and a prolonged period high inflation, affecting farmers' costs. Added to this are the costs of efforts to make agricultural production more environmentally sustainable and the emergence of consumption patterns towards cheaper food products, which have destabilised the food supply chain and increased uncertainty for farmers, fuelling protests and mistrust;

Having assessed the Government's report on proposal COM(2024) 577, submitted pursuant to Article 6 of Law No. 234 of 2012, in which the general aims of the project are considered positively

having regard to the hearings held on 11 March 2025 of representatives of Filiera Italia, Coldiretti, Confagricoltura, CIA (Confederazione italiana agricoltori), Copagri, Unione Italiana Food (Unionfood), Assolatte, Fe- deralimentare, Origin Italia and Kmečka Zveza Associazione agricoltori, and the written pleadings submitted by FLAI CGIL, UGL, UIL-UILA, Lega- coop, AGCI, ARI, Federazione dairy Alto Adige, Confcommercio and Centromarca-IBC

considered that the legal basis of the proposals is correctly identified in Article 42 and Article 43 of the Treaty on the Functioning of the European Union (TFEU), relating respectively to the application competition rules to the production of and trade in agricultural products, and to common organisation of agricultural markets;

considered that the proposals respect the principle of subsidiarity, since the objective of improving and strengthening cooperation between different national law enforcement authorities, for the purpose of combating practices

unfair trade with a cross-border dimension, and the objective of strengthening the position of farmers in a homogeneous way across the territory, cannot be achieved satisfactorily by the Member States individually,

It is considered that the principle of proportionality is only partially respected, as the strengthening of the position of farmers in the food chain is not fully pursued, due to the following observations:

in the agri-food chain, from producer to final consumer, the role of farmers and breeders does not assume the weight and economic recognition it should have, and this is particularly evident in the profitability of agricultural enterprises where, due to the exponential increase in the cost of production factors, the purchase price recognised to producers is excessively low compared to the final price paid by the consumer. In the face of this imbalance, the measures contained in the two proposed regulations do not seem sufficiently responsive. Moreover, many of the proposed changes concern measures that are already provided for by Italian legislation, except that they are established in a less effective manner, which risks lowering the level of protection for producers or reducing the competitiveness of the supply chain compared to other countries. Furthermore, the discretion granted to Member States risks creating a patchwork of different rulesresulting in legal uncertainty and potential market distortions. On the other hand, the proposal appears lacking in terms of sectoral flexibility, creating rigidities that risk burdening businesses, especially SMEs, without clear benefits for farmers;

With reference to the proposal on unfair commercial practices (COM(2024) 576), it is considered appropriate to include a specific ban on the purchase of agricultural products and foodstuffs below the cost of production. In addition, transnational cooperation should go beyond the mere exchange of information between administrations and the envisaged strengthening of transnational cooperation should be further extended to coordinate also the national rules established by Member States in implementation of Directive 2019/633, which are more protective for buyer;

with reference to the new Article *88a* of Regulation (EU)

No 1308/2013, which introduces the possibility of indicating the term 'fair',

"fairness" and "short supply chain" in the labelling or commercial documents a product, we note the vagueness of their definition, which may be remedied by future implementing acts of the European Commission, as provided for in paragraph 4. We also note the risk of their definition - by means of the implementing acts - in a sense that is less protective of consumers, compared to what is already provided for Italian law, with the consequent possible legal uncertainty and the need to lower the level of consumer protection in Italy, in order to ensure equal conditions of competition with other countries. In this sense, the envisaged requirements in alternative way, of transparency in reports of the

farmers with purchasers and fairness of the price should both be mandatory. Furthermore, the requirements are excessively general, lending themselves to discretionary assessments of the fairness of the remuneration by the farmers themselves, e.g. the 'fair price', which could, as envisaged in Italy, be related to the average cost of production. More generally, the terms used on the label should explicitly refer to the entire supply chain and not only to the final product. In this sense, the farmer's consent for use of these terms by the rest of the supply chain and an opinion of the farmers in the resolution of related disputes could be envisaged. In the short supply chain, the intermediary, such as the producer organisation (PO), should also be considered, since the case should not be identified with the 'direct sale' from the producer to the consumer, but only that there are few or only one intermediate steps. On the other hand, a product sold 'directly' may legitimately have travelled the entire peninsula, without this conflicting with the indeterminate criteria of

"close link" and "geographical proximity" provided for in the proposal. The proposal envisages that short supply chain is geared towards informing purchasers about the way in which production, distribution or marketing is organised, but this excludes the possibility that products that are not easily perishable and are transported over a fixed distance cannot benefit from it. In any case, these terms to be included on the label could more appropriately be included in the legislation on food information to consumers;

with reference to the new Articles 148 and 168 of Regulation (EU)

No. 1308/2013, which establish obligation of written form for contracts of transfer, by farmers, agri-food products, including milk and dairy products - an obligation already provided for by Italian legislation -, concern is expressed over the possibility of derogation provided for, for Member States, in a number of cases, including if the first purchaser is a micro or small enterprise or if the value of the transfer is less than EUR 10,000. The possibility of derogations also creating significant divergences and price fluctuations within the European market. Possible derogations are particularly critical for the dairy sector. Derogations risk weakening Italian regulations and introducing legal uncertainty among operators. With regard to the possibility of derogation in the case of a value of less than EUR 10,000, it is also difficult to implement since it is often impossible to predetermine the value of the transfer. The imposition of a one-size-fits-all framework for all sectors could lead to unnecessary regulatory adjustments, whereby a more flexible and sector-specific approach that prevents burdens and additional costs for businesses would be preferable. Similarly, the review clause, proposed for contracts longer than six months, should be adapted to the individual sector, in order to provide certainty to those operators who rely on long-term price stability. Moreover, it should be limited and commensurate with the occurrence of exceptional circumstances, as mentioned in recital 20. It would also be appropriate to promote the " contracts supply chain", which represent the

best tool to promote collaboration integration between the different actors in the supply chain, *primarily* farmers. Legal uncertainty also relates to the discrepancies between the European obligation, which only concerns the first transfer by the farmer, and the national obligation, which also requires written form for the rest of the supply chain, with the risk of creating two different types of contract. The option of providing for the registration of contracts by the purchaser, which is not provided for in Italy and which would introduce additional bureaucratic burdens, should also be carefully assessed;

With reference Article 152 of Regulation (EU) No. 1308/ 2013, which puts non-recognised producer organisations (including cooperatives) on the same footing as recognised POs, in order to undertake production planning, cost optimisation, market positioning and negotiated contracts, we express our clear opposition since recognition by a Member State of a PO's status plays a key role in guaranteeing its activity and the protection of its farmer members since, through it, the State certifies the existence of the stringent requirements that a legal entity must meet in order to qualify as such, and equating them would undermine the raison d'être of recognised POs. Similarly, it is not considered useful to extend the actions envisaged for POs to associations of recognised POs. Instead, it would be appropriate to strengthen aggregation of producers by incentivising and promoting POs, reinforcing their prerogatives and avoiding the creation of duplicating equivalent structures. Furthermore, it seems appropriate to eliminate the limit of 33 per cent of national production for Associations of POs (AOPs), since this ignores the transnational dimension of many markets and risks penalising the growth and aggregation prospects of POs in states with medium production concentration such Italy;

with reference Article 222 of Regulation (EU) No 1308/ 2013, which provides for the possibility for Member States to activate the crisis reserve in the event of serious market instability in order to support the planned support measures, although greater protection of farmers from market crises is certainly desirable, one expresses opposition to consequent removal of resources from the financial chapter reserved for direct aid to farmers. Furthermore, the measures should only be taken by producer groups that have significant representativeness for the product in respect of which Article 101 TFEU, which prohibits any form of restriction on free competition, is derogated from;

With reference to the amendment to Article 88 of Regulation (EU) 2021/2115, whereby the share of direct payment funds that can be used to finance operational plans is to be increased from 3 to 6 per cent, the Committee welcomes the increased flexibility in the Common Agricultural Policy (CAP) instruments, but is concerned about the exclusion of olive, wine and fruit and vegetable sector plans from the increase resources and the consequent reduction in the number of direct payments.

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direct payments to farmers, which remain the main instrument to guarantee farmers' profitability;

With reference to the increase of incentives for young farmers and new farmers in Regulation (EU) 2021/2115, it is considered that these should be further increased.

This resolution is also to be understood as an act of address to the Government to Article 7 of Law No. 234 of 2012.

*€* 1,00