

EUROPEAN COMMISSION



*Brussels, 7.2.2019
C(2019) 865 final*

Dear Chairman,

The Commission would like to thank the Houses of the Oireachtas for their Opinion on the proposal for a Directive of the European Parliament and of the Council on unfair trading practices in business-to-business relationships in the food supply chain {COM(2018) 173 final}.

This proposal forms part of a broader package of ambitious measures designed to improve the functioning of the food supply chain to help farmers strengthen their position in the market place and help protect them from future shocks. It aims at reducing the occurrence of unfair trading practices in the food supply chain by introducing a minimum common standard of protection across the European Union. The proposed provisions targeting minimum enforcement requirements applying to national competent authorities would add to the deterrent character of the proposed regime.

The Commission is pleased that the Houses of the Oireachtas shares the view that the proposal is very important in addressing alleged imbalances within the market for food supply. The Commission has taken good note of the Houses of the Oireachtas's suggestions with regard to the extension of the scope of the prohibited unfair trading practices, as well as of their concern that despite the scope available to Member States to set additional rules, the current proposal does not go far enough.

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The Commission would like to emphasise that the minimum protection approach taken in the proposal would leave the possibility for Member States to cover other unfair trading practices, provided that these measures comply with the Union acquis on the internal market.

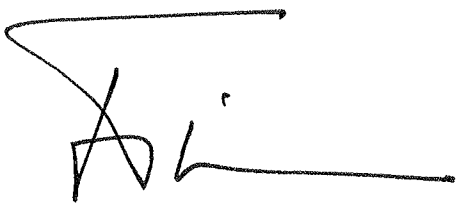
The Commission chose a minimum harmonisation approach because it is mindful of the fact that 21 Member States already adopted legislation in this area. The introduction of a minimum standard would bring in particular the other Member States without specific rules up to a minimum level of protection and enforcement. The aim of such a flexible proposal is to achieve effective results in combating the most damaging unfair trading practices, while accepting that other actors do not seek legislation in this area. At the same time, this approach allows those Member States that already apply tougher standards to continue to do so.

The Houses of the Oireachtas's Opinion has been made available to the Commission's representatives in the ongoing negotiations with the co-legislators and has informed these discussions.

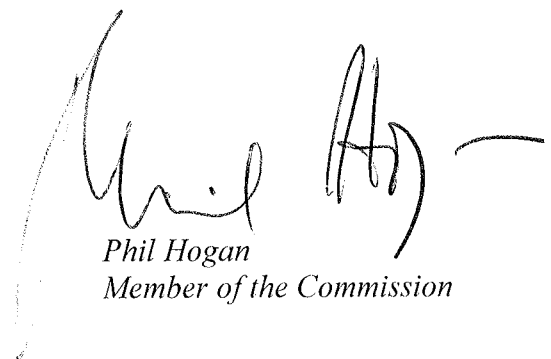
The proposal is currently in the legislative process involving both the European Parliament and the Council. On 19 December 2018 they have reached a political agreement on the basis of an extended scope of the Directive. Accordingly, the protection under the Directive applies to suppliers in the food supply chain which have a turnover of up to EUR 350 million. Eight additional practices were added to the ones included in the Commission proposal. Now the European Parliament and the Council will have to endorse the political agreement for the Directive to be formally adopted.

The Commission hopes that these comments address the issues raised by the Houses of the Oireachtas and looks forward to continuing the political dialogue in the future.

Yours faithfully,



*Frans Timmermans
First Vice-President*



*Phil Hogan
Member of the Commission*