



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT
Directorate E – Markets
The Director (acting)

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MINUTES

Meeting of the EU Agri-Food Chain Observatory

5 May 2026

Chair: AGRI E.1

1. Approval of the agenda

The agenda was approved as proposed by DG AGRI.

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

EU agri-food chain state of play

The meeting started with a presentation on the state of play and **recent developments in the agri-food chain**, focusing on inflation data. The data presented by AGRI shows that, while energy and fertiliser prices are heavily impacted by the Middle East conflict, the producer price index (farmers) experienced a 1.5% increase in March 2026 after a prolonged decline since mid-2025. Similarly, the processor price index saw a slight uptick in March, though at a much smaller scale. Impact on the consumer price index and food inflation is not (yet) visible. However, rising input costs are expected to push up food prices in the second half of 2026.

For more detailed information please see uploaded slides.

In the follow-up discussion, farmer representatives emphasised that the real-world impact of rising input costs is more severe than the data suggests. COPA-COGECA pointed to the structural effects of these increased costs in certain sectors, while ECVC emphasized the need to move away from dependency on oil and long supply chains. The food industry reported a slight decline in production and exports, stressing the critical need for stable access to key inputs like energy and fertilisers. Retailers noted that data for 2026 was not yet available, but explained that the Middle East conflict started when the sector had only recently stabilised after previous crises. At the same

time, still affected by these crises, consumers remain focused on minimising food expenditure.

Despite the lack of 2026 data, Italy confirmed the strong increase in input costs, with negative impacts on sectors like cereals, oil and milk, while fruit and meat are less affected at this stage. Similarly, Finland mentioned that some projections estimate an expected 30% increase of NPK fertiliser prices in 2026.

Stakeholder representatives also took the floor (AREFL, CEFS, CLITRAVI, EFM, EMB) confirming the difficulties met in the cereals, milk, pork, sugar sectors. Some stakeholders questioned the role of CBAM in the increased fertiliser prices.

DG AGRI acknowledged the difficulties and confirmed the expected upcoming publication of its Fertiliser action plan on 19 May. The EFSCM expert group is also following the situation closely.

As part of the challenging work to construct a system for monitoring the development in the agri-food supply chain, DG AGRI informed participants of the new [Fruit and vegetables dashboard on production costs and margins](#) and of the inclusion of retailers' selling prices in the [Fruit and vegetables prices data](#) provided on the Commission's agri-food data portal.

Mediation and Building Trust in the Food Supply Chain

Presentations from the Fairness Office (Austria) and the Neutral contact person for the agri-food sector (Belgium)

The second session addressed **mediation and trust-building in the food supply chain**. The Austrian Fairness Office and the Belgium's neutral contact person for the agri-food sector shared their experiences in building bridges between actors of the chain, promoting conflict resolution and reducing the fear factor that prevents farmers and other operators from reporting unfair trading practices.

For more detailed information please see uploaded slides.

The presentations generated high interest among the participants. Three Member States (Inland, Germany, Italy) and seven stakeholder organisations (CLITRAVI, COPA COGECA, EFM, EMB, EUFRAS, EuroCommerce, IRE) took the floor. They expressed strong appreciation for the two initiatives, recognising their importance in increasing trust across the agri-food supply chain. They asked the question of the availability of model contracts ensuring more fairness, including tripartite contracts. Presenters answered that such contracts exist in some Member States as well as information on good contractual practices or the possibility to receive a contract check, free of charge. The participants raised the issue of the confidentiality of the exchanges, to which both the Austrian Fairness Office and the Belgium's neutral contact person answered that this was one of their first concerns and a necessity as part of their objective to reduce the fear factor. Mediation and arbitration chambers were also mentioned as important and complementary existing tools. The question of the banning of sales below cost was also raised, to which both presenters agreed on the difficulty to implement such ban, even if it is part of the UTP's grey list in Belgium (based on indicators, not actual costs).

Participants also rose the issues of concentration in the retail sector and the market structure, which can be very different from one Member State to the other, and the role of private labels. The specific situation of cooperatives was also mentioned.

On mediation, DG AGRI informed that the recently agreed targeted amendment to the CMO includes the obligation for Member States to set up a mediation (or equivalent) system while the issue of sales below cost will be included in the impact assessment for the revision of the UTP directive.

In conclusion, all recognise the importance of the two initiatives in building trust, which is also one of the main objectives of AFCO.

Monitoring the agri-food supply chain

Presentation from DG AGRI

In the afternoon, the Commission provided an update on the development of an **aggregated index of EU food industry costs**, based on cost structures established with FooDrinkEurope. Work on fine tuning the indicator is ongoing, in particular as regards costs related to wholesale and retail services, and logistics and transport.

Presentation from EuroCommerce and Independent Retail Europe

Presentation from REWE

EuroCommerce and Independent Retail Europe presented detailed insights into the retail sector's structure and estimated cost breakdowns across major EU markets as part of their work to develop a similar **cost index for the retail sector**. The presentation identified four main types of setups of retail chains. This diversity results in different market structures from one Member State to the other. Strong concentration with clear market leaders is present in some Member States while others are characterised by fierce competition. Based on data collected, average cost structures present strong similarities among Member States, even if much work remains to be done, including in harmonising cost typologies between countries.

REWE then presented the result of their work to analyse the group's cost structure based on the typology of costs used for building the aggregated index of EU food industry costs.

For more detailed information please see uploaded slides.

Five stakeholder organisations (AIM, AREFLH, CLITRAVI, EFM, EUFRAS) took the floor. Retail alliances were mentioned as another important actor (not captured in the presentations), to which retail associations answered that they mostly negotiate with the largest fast-moving consumer goods (FMCG) producers. Territorial Supply Constraints were also mentioned. DG AGRI clarified that the Commission is working on the topic, which falls under the remit of DG GROW. The subsequent discussion mostly focused on challenges related to cost taxonomy and how to deal with specific costs like rental costs of buildings, or the costs of (or margins from) their ownership. Debt structure and waste were also mentioned. Retail associations reminded that the sector profitability is based on large volumes, not on high margins, and that the overall margin is the aggregation of various product margins, which can be very different from one case to the other depending on the marketing strategy of each retailer. Finally, some

stakeholders pointed to the availability of data and studies at national level, which could be exploited by the group.

DG AGRI acknowledged the challenges as well as the opportunities provided by the available data. AFCO members will need to find the best way to move forward and see how best to compare costs along the agri-food supply chain, where products and ingredients are processed and combined from one stage to the next. This implies, given the limited resources, to find effective ways to access and use the data from various sources, not always easily accessible and not harmonised. DG AGRI will further look into this issue.

Topics of interest and case studies: fair trade schemes for farm

Presentation from Commerce Équitable France

Commerce Équitable France presented the progress of **fair-trade partnerships in French agriculture**, which are certified under seven principles embedded in the French law and include long-term contracts, cost-based minimum prices, and development premiums. The speaker explained how prices are set in fair-trade supply chains and provided examples of concrete experiences which have led to improved farmer incomes, stronger producer organisations, and changes in agricultural practices.

For more detailed information please see uploaded slides.

Before giving the floor to participants, DG AGRI mentioned again the recently agreed CMO targeted amendment, which also includes greater transparency in contracting practices, notably through mandatory cost-related indicators in pricing clauses, as well as the concept of fair trade (which would need to be defined via a delegated act).

Several Member States (Italy, Sweden) and stakeholder organisations (COPA-COGECA, EFM) took the floor. More specifically, questions were asked in relation to support received from development funds (which is very little), the role of the EGalim laws (which only cover a few sectors, not the whole supply chain, and with lower sustainability criteria than fair trade), the inclusion of the retribution of family work (which is recommended) and the capacity of consumers to choose and pay for fair-trade products (the development of fair trade scheme must be accompanied by actions to foster consumer demand). One participant emphasized the resilience of fair-trade schemes: despite the strong increase of cereals prices following the Russian invasion of Ukraine in 2022, very few producers quit the schemes for temporary benefits, preferring the assurance of long-term contracts.

Overall, participants recognised the benefits of these partnerships, particularly in times of crisis. Questions did however arise on how to encourage broader consumer demand for fair-trade products.

4. Conclusions/recommendations/opinions

The chair thanked all Member States and stakeholder organisations for their active participation, comments and contributions, which will feed future work. A discussion on the actual impacts of the crisis in the Middle East will also take place in the next meeting.

5. Next steps

Work on costs for other stages of the food chain than primary producers, and in particular for the retail sector, will continue with the help of AFCO members representing operators.

6. Next meeting

The next AFCO meeting is tentatively scheduled for 10 November 2026.

7. List of participants

All Member States were present except Hungary and Malta.

Stakeholders and Observers are listed in the Annex.

Fairness Office and Commerce Équitable invited as *ad hoc* experts.

List of participants– Minutes
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STAKEHOLDERS

AIM - EUROPEAN BRANDS ASSOCIATION
AREFLH - ASSEMBLÉE DES RÉGIONS EUROPÉENNES FRUITIÈRES, LÉGUMIÈRES ET HORTICOLES
AVEC - ASSOCIATION DE L'AVICULTURE, DE L'INDUSTRIE ET DU COMMERCE DE VOLAILLES DANS LES PAYS DE L'UNION EUROPÉENNE
CEFS - COMITÉ EUROPÉEN DES FABRICANTS DE SUCRE
CELCAA - EUROPEAN LIAISON COMMITTEE FOR AGRICULTURE AND AGRI-FOOD TRADE
CLITRAVI - CENTRE DE LIAISON DES INDUSTRIES TRANSFORMATRICES DE VIANDE DE L'UE
COCERAL - COMITÉ DU COMMERCE DES CÉRÉALES, ALIMENTS DU BÉTAIL, OLÉAGINEUX, HUILE D'OLIVE, HUILES ET GRAISSES ET AGROFOURNITURES DE L'U.E.
COGECA - EUROPEAN AGRI-COOPERATIVES
COPA - EUROPEAN FARMERS
ECSLA - EUROPEAN COLD STORAGE AND LOGISTICS ASSOCIATION
ECVC - EUROPEAN COORDINATION VIA CAMPESINA
EDA - EUROPEAN DAIRY ASSOCIATION AISBL
EFFAT - EUROPEAN FEDERATION OF FOOD, AGRICULTURE AND TOURISM TRADE UNIONS
EMB - EUROPEAN MILK BOARD
EUFRAS - EUROPEAN FORUM FOR AGRICULTURAL AND RURAL ADVISORY SERVICES
EUROCOMMERCE
EUROPEAN FLOUR MILLERS
EUROPÊCHE
FAIRTRADE INTERNATIONAL
FEDIOL - EU VEGETABLE OIL AND PROTEIN MEAL INDUSTRY ASSOCIATION
FEFAC - EUROPEAN FEED MANUFACTURERS' FEDERATION

FERTILIZERS EUROPE
FiBL EUROPE
FOODDRINKEUROPE
IFOAM ORGANICS EUROPE
IRE - INDEPENDENT RETAIL EUROPE
OPTA EUROPE - ORGANIC PROCESSING AND TRADE ASSOCIATION
SEASALT EUROPE
STARCH EUROPE

OBSERVERS

COMMITTEE OF REGIONS (CoR)
EUROPEAN COUNCIL OF YOUNG FARMERS (CEJA)
EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (EESC)
EUROPEAN FOOD FORUM (EFF)
EUROPEAN PARLIAMENT - COMAGRI SECRETARIAT
FARM EUROPE
Market Advisory Council (MAC)
Mediterranean Advisory Council (MEDAC)

AD-HOC EXPERTS

COMMERCE ÉQUITABLE
FAIRNESS OFFICE