Unfair trading practices in the food chain



In the following text, an Irish politician, Luke 'Ming' Flanagan, is talking about unfair trading practices (UTPs).

1 Read the text and comment.

Banning Unfair Trading Practices

We tend to take for granted the high quality food we enjoy every day. However, in the background there is a chain of actors, farmers, processors and retailers working to ensure that this quality is maintained. The adoption of new rules by the Agri-committee means that for the first time ever at EU level unfair trading practices will be banned in the food supply chain.

What are they, these unfair trading practices? Well, they're defined as practices that deviate from good commercial conduct and are contrary to good faith and fair dealing. One trading partner, who is in a dominant position, usually imposes them unilaterally on another. Due to the obvious large differences in bargaining power, the producer is in the weakest position. The food supply chain is particularly vulnerable to unfair trading practices and that's been the case for years now. Certain trading practices will now be banned, including late payments for perishable food products, last-minute order cancellations, unilateral or retroactive changes to contracts, forcing the supplier to pay for wasted products. Will it be enough? Implementation will be key. This is a directive, not a regulation, which means it's up to the Member State to incorporate it into national legislation. Time will tell if this softer approach, combined with national governments' traditional unwillingness to take on vested interests, will allow big multinationals to circumvent, obstruct and undermine this directive. We hope to agree a legal text with the Commission and the council and this directive before Christmas, but I'll keep you updated.

2 Go online and find information about legislative countermeasures to ban some of the most common unfair trading practices.



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