



Who's Got the Power? A decade later

Buyer power and Living Income
in agricultural supply chains

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**Fair
Trade**
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This report offers a commentary on the study *[Who's Got the Power? Tackling Imbalances in Agricultural Supply Chains](#)*, commissioned by the Fair Trade Advocacy Office (FTAO), Plate-Forme Française du Commerce Équitable, Traidcraft and Fairtrade Germany, in partnership with Fairtrade International and the World Fair Trade Organization (WFTO) and produced by the Bureau d'analyse sociétale d'intérêt collectif (BASIC). This publication draws on its core findings and recommendations to identify what has changed in the policy and market landscape since 2014, how far the study's recommendations have been realised, and where central challenges remain.

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Introduction

In 2014, the Fair Trade Advocacy Office, together with Plate-Forme Française du Commerce Équitable, Traidcraft and Fairtrade Germany, published a [study](#) to explore the issue of power concentration in agricultural chains. The research found that buyer power produces recurring patterns which allow leading firms to control suppliers upstream. Such imbalances resulted in abusive and unfair trading practices, while EU policy was poorly equipped to address the problem.

More than a decade later, the diagnosis has become even harder to ignore. Farmers and workers still struggle to secure a fair share of the value they create, but the challenge goes beyond prices. Across many agri-food chains, the business models and structural conditions still treat the costs of sustainable production, decent work, regulatory compliance and ecological transition as costs to be pushed upstream. This directly undermines the right of farmers to a living income.

Recent public investigations confirm the structural character of the problem. In Germany, the Monopoly Commission found in its [2025 special report](#) that agriculture benefits less from rising food prices. Consumer prices have increased, but producer prices have risen more slowly, and profit margins increasingly shift to downstream food manufacturers and retailers. The German food retail sector is now dominated by a handful of actors, with Edeka, Rewe, Schwarz, Aldi Nord and Aldi Süd accounting for around 85% of the market, representing a significant increase in market concentration [over the past two decades](#). In France, a [Senate investigation](#) uncovers how the retail sector is concentrated as never before, with the five largest groups holding 84.8% of market share in 2025, and major buying alliances giving distributors additional leverage over suppliers. In 2026, the Italian competition authority opened a [sector inquiry](#) to assess the growing imbalances in which large-scale retailers may use purchasing alliance and private labels to retain a disproportionate share of the profits.

The policy context has also changed. The [EU Unfair Trading Practices Directive](#) now provides a level playing field, in relation with some of the terms of contract that no buyer, no matter its bargaining power, may impose upon suppliers. However, the Directive has limitations, firstly it only addresses the symptoms of the problem (the abusive practices), and not the causes (the imbalances of power), secondly its first [evaluation](#) shows its weaknesses: low awareness, fear of retaliation and uneven enforcement between Member States. Meanwhile, the [Corporate Sustainability Due Diligence Directive \(CSDDD\)](#) changes the frame by recognising living income and living wage as human-rights standards that companies must address through due diligence. At the same time, new regulations such as the [EU Deforestation Regulation \(EUDR\)](#) and the [EU Organic Regulation](#) show how compliance costs and administrative burdens can be pushed upstream onto small-scale producers and cooperatives, without corresponding price increases or cost-sharing by buyers.

With this report, we revisit the original study to recontextualise it in today's policy and market landscape: with buyer power becoming the central challenge for a living income, policy coherence and fair market governance.

1. Economic theories, power concentration and unfair competition

Classical and neoclassical economics built their models on the “Homo oeconomicus”, a rational, self-interested actor. The fundamental assumption is that mutually advantageous exchanges between such actors leads to optimal social outcomes, with the condition that markets operate under “perfect competition”. Perfect competition requires that all actors are price-takers i.e. they don't have sufficient power to set or influence the market price of the products and services they buy or sell, that producers are numerous and small, that there are no barriers to entry and equal access to resources, that buyers have complete information, and that products are seen as equivalent.

Real-world competition clashes with this model. In many sectors, a few actors are large enough to set prices through their negotiation power, consumers face imperfect information shaped by marketing and advertising, equivalence between products is difficult to judge due to the continuous efforts of companies to differentiate their products from those of their competitors. The prime reason for the failure of the perfect-competition model is the ability of some actors to gain enough economic power to influence the market.

Recent developments in European retail alliances show how these failures of perfect competition are being exacerbated. By pooling bargaining power across borders, retailers can negotiate purchasing conditions beyond national market-share figures. Across key **European grocery markets**, the **market coverage of service alliances** rose from 42% to 60% between 2019 and 2025, while buying groups expanded from 9% to 36%.

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Fairtrade -Dominique Fofanah -thegoodmessage.studio



2. Concentration of power in agricultural value chains

Concentration of power in agricultural chains is not new. From colonial plantations to commodity traders, branded manufacturers and today's global retailers, control has repeatedly been taken by the actors able to organise market access, logistics and prices. Since the 1980s, the dismantling of price-stabilisation tools, capital-market liberalisation and the expansion of supermarket chains have made agricultural supply chains more global, tightly coordinated and buyer-driven. The focus has shifted from what producers can offer to what buyers demand.

This leads the agricultural sector to remain characterised by isolation at the two ends of the chain. **FAO estimates** that there are more than 608 million farms worldwide, over 90% of which are family farms, while **FAO employment data** show that the agricultural sector employed 892 million people in 2022. Roughly **3.8 billion people** live in households reliant on agri-food systems for their livelihoods. Yet between these producers and final consumers, four sets of actors have become the “**narrow conduits through which goods must pass to reach the final consumer**” with the capacity to define access, standards, and prices:

• Input Suppliers

Bayer, Corteva, Syngenta and BASF accounted in 2025 for **56% of the global commercial seeds market and 61% of the pesticides market**.

• Traders

ADM, Bunge, COFCO, Cargill and Louis Dreyfus controlled in 2024 roughly **70–90% of global trade in commercial grains**.

• Processors and branded manufacturers

Concentration is severe in product-specific markets. In coffee, the ten largest roasters collectively purchased an estimated **35-40% of global green coffee production** in 2023. In cocoa, six major companies (Nestlé, Mondelez, Mars, Hershey, Lindt & Sprüngli and

Ferrero) accounted for about **39% of 2023/24 global cocoa production**.

• Retailers

The downstream bottleneck is particularly visible. In France, five main distributors represented **84.8% of grocery market share in 2025**. In Germany, five retail groups account for **around 85% of the food retail sector**. In the Netherlands Albert Heijn, Jumbo, Lidl, Plus and Aldi together account for **83% of the total market**.

Recent developments add a further layer of buyer power: five major European retail alliances now concentrate around €840 billion in purchasing power, equivalent to an estimated **60% of the EU grocery procurement market**. These alliances deal mainly in packaged and private-label products and rarely contract farmers directly, but the sourcing conditions they establish **cascade upstream** through processors and traders. The 2026 French **Senate inquiry** shows what this means in practice: large purchasing centres can account for 20-40% of a supplier's turnover, while that supplier often represents less than 1% and never more than 3% of the buyer's turnover. This economic dependency explains why delisting threats, service-fee demands and short deadlines, among other unfair trading practices, remain so effective in extracting value from the upstream.

This buyer power does not operate through a single model, it takes different forms depending on the product, the degree of vertical control and the alternatives available to producers.

2.1. Four recurrent patterns of buyer power in agricultural chains

Vertical integration: bananas

The banana chain has long been dominated by vertically integrated companies controlling production, packing, shipping, import and ripening. The **original report** already described a “reversal” of this model: retailer-defined standards, cheaper liner shipping and European market liberalisation enabled supermarkets to shape sourcing conditions without owning the chain, while passing risk, logistics and compliance costs upstream. This retailer-led

control remains visible today. Even where supermarkets publicly commit to living wages, the commercial model remains fragile. For Dutch retailers, average wages were **reported** at around 13% below living-wage benchmarks and 25.4% of workers in their banana supply chains were not earning a living wage.

Captive set-ups: cane sugar (and cotton)

Sugarcane is processed close to the field by mills, and there is rarely more than one mill per area. Once cut, cane must be processed rapidly before sucrose loss, small farmers therefore have little practical alternative but to sell to the local mill, which weighs the cane, assesses sugar content, determines the payment formula. This creates a captive relationship in which farmers remain formally independent, but the buyer controls the key conditions of market access and remuneration.

Relational networks with captive farmers: coffee

Coffee remains produced largely by smallholders and sold into complex networks where traders and roasters hold market access. A 2024 **coffee sector report** confirms the persistence of the coffee paradox: retail coffee can be profitable and expensive while farm incomes remain volatile and often **below living-income benchmarks**. Even periods of high coffee prices do not resolve these structural imbalances where rising production costs, unpaid family labour and climate risks **remain uncovered**.

“Our association is an example of many small farmers’ organisations: we never knew who our clients were, we didn’t have a direct relationship with our customers. We were simply left to hope that the exporter would make good business for us.” - Javier Rivera Laverde, ASOPECAM - Colombia

Modular chains with turn-key suppliers and captive farmers: chocolate

Chocolate is built on highly concentrated processing and brand manufacturing, while cocoa production remains dominated by smallholder farmers. In 2020, **research by the**

University of Wageningen estimated that closing the cocoa-sector living-income gap would require around US\$10 billion per year. In Cote d’Ivoire and Ghana, farm-gate prices typically represent only about 60-70% of international prices, reflecting weak price transmission, with most cocoa-producing households in both countries **still earning well below a living income**. The industry’s poverty, child labour and deforestation challenges cannot be solved when farm-gate prices fail to include the cost of a decent livelihood.

2.2. How power concentration leads to Unfair Trading Practices (UTPs) and undermines living incomes

The European Commission **defines UTPs** as “practices that grossly deviate from good commercial conduct, are contrary to good faith and fair dealing and are unilaterally imposed by one trading partner on another”. The best-documented cases occur at the retail level: squeezing on prices, threats of de-listing, unilateral deduction or change of prices, short or no contracts, late payments, demands for global promotions at short notice, and demands that suppliers comply with standards at their own expense.

The major change since the initial study is that the EU now has a dedicated **UTP Directive**. This is an important recognition of the problem, but it has not changed the structural conditions that make UTPs possible. The 2025 commission **evaluation** of the Directive confirms that the fear factor remains a structural challenge with 29% of respondents to a **JRC survey** citing the fear of retaliation as a major barrier for complaints. Furthermore, only 52% of respondents in the survey knew where to file a complaint, 20% saw certain UTPs as customary or not worth reporting, and 19% lacked trust in enforcement authorities. Enforcement is also highly uneven: Spain, Italy, Cyprus and Hungary account for around 90% of investigations, while many Member States opened very few cases.

National reports add detail on how this power is exercised. The French **Senate inquiry** found that suppliers may be warned that 30-70% of their products could be cut or removed, and in some cases, distributors actually reduced orders by up to 60%. The German **Monopoly Commission**

report stresses that pressure is especially strong for agricultural suppliers, where products are often perishable and production may already have been adapted to a buyer's specific standards, labels or delivery requirements. The **report** also finds that in food manufacturing, average mark-ups rose from 20% in 2011 to 33% in 2020, while in food retail they rose from 8% to 12% between 2013 and 2023, stressing that "the profit margins are increasingly shifting toward the downstream stages in these chains, especially to food manufacturers and the retail food sector. Ultimately, agriculture is benefiting less from rising food prices."

In producing countries, the same imbalance often appears with the dependence at the point of sale: smallholders may be reliant on a single exporter and discouraged from organising collectively. From a living-income perspective, the key question is whether the price paid actually covers the sustainable cost of production. Where prices fail to cover decent livelihoods, paid and unpaid labour, compliance costs, climate adaptation and reinvestment, the chain externalises its economic risks onto farmers and workers. Yet, even though it directly reduces farmers' remuneration, lowers their standard of living and weakens farm viability and competitiveness, purchasing below sustainable production cost is still **not prohibited**.

This should be a central reference point for assessing fairness in agricultural trade. Prices that fall below the sustainable cost of production enable concentrated buyers to maintain low sourcing costs while undermining living incomes and reducing a producers' capacity to invest in resilient and sustainable production. UTPs therefore need to be understood not only as isolated contractual abuses, but as part of a wider system of value extraction that keeps producers formally included in global markets while denying them the income they deserve.

"Unfair trading practices are very common from those buyers we call the 'coyotes'. They leverage their financial resources to compete with cooperatives of small farmers that don't have the cash flow to buy coffee from their members at the right moment. In conventional trade, we are always at a loss with large buyers." - Raul Claveri, COCLA, Peru.

Mohamed Aly Diabaté - Fairtrade International - Fairpicture



3. Social and environmental impacts of power concentration

3.1. The living-income deficit at the heart of the chain

The central consequence of buyer-power concentration is that farmers and workers do not consistently receive enough to live decently. The dismantling of price-stabilisation tools and the financialisation of commodity markets created conditions for price volatility and permanent pressure on farm-gate prices. Value is allocated to actors who control market access, information, branding and consumer data.

The CSDDD changes the significance of this problem. Living income for smallholders and self-employed workers, and living wage for employed workers, are no longer only voluntary sustainability aspirations, they are part of the **human-rights framework major companies must address through due diligence**. This makes living income a practical test for whether agricultural trade is fair: do prices and purchasing practices allow producers to cover the sustainable cost of production or do they push these costs upstream?

The current conditions in the coffee sector show that the diagnosis of the original report remains highly relevant. Today, thin margins and climate vulnerability continue to prevent many of the world's **12.5 million coffee-farming households** from reaching a living income. The banana sector shows similar issues. In Ecuador, an assessment for the German retailer working group found in 2021 that only 0.66% earned below a living wage. However, these optimistic figures were later contradicted by a **worker-based research** which in 2024 found that 31% of interviewed workers earned below a living wage, with **women more likely to earn lower wages**. This gap between data reported by companies and worker testimonies shows that living-income due diligence cannot rely on paperwork alone. It requires direct participation by rights-holders, producer organisations, trade unions and women's organisations, as they are best placed to show whether purchasing practices can ensure living income.

3.2. Child labour and precarious work

The original report linked child labour and precarious work to buyer-power concentration, market liberalisation, price volatility and prices that fail to sustain decent livelihoods. It showed how these pressures pushed small farmers into unsustainable livelihoods, such as in the cocoa and sugarcane sector. In this account, child labour was treated as a symptom of poverty, unstable prices and unequal bargaining power.

That diagnosis remains current as 2024 **ILO and UNICEF** data estimate that 138 million children are still in child labour worldwide, with agriculture remaining the largest sector. In the cocoa sector, farmer poverty remains a root cause of child labour, deforestation and gender inequality, with around **1.5 million children in Ghana and Côte d'Ivoire are still engaged in hazardous work in cocoa production**.

However, penalising parents without changing the economic conditions that drive child labour risks punishing them for poverty. Without prices that cover the sustainable cost of production and decent livelihoods, families and workers are left to take on their shoulders this pressure.

The policy implication is that child labour, and precarious work cannot be addressed only through audits or zero-tolerance clauses. This also matters for the emerging legal framework at EU level. The CSDDD requires companies to address human-rights impacts in their chains of activities, including those linked to living incomes. The incoming **EU Forced Labour Regulation** can trigger progress, but it will not eradicate forced labour (and forced child labour) if implemented as a narrow compliance exercise. Forced labour is rooted in poverty, weak labour protection, and irresponsible sourcing practices.

Enforcement must therefore be **accompanied by support** for producers, meaningful engagement with workers and farmers, access to remedy, trade-union and civil-society involvement, and purchasing practices that enable living incomes. Otherwise, the risk is that buyers simply disengage from high-risk suppliers or shift compliance costs onto the weakest actors.

3.3. Environmental regulation, compliance costs and market exclusion

Buyer pressure for low prices and standardised volumes has caused intensive production models, soil erosion, water stress, deforestation, pesticide dependence and biodiversity loss. The new context adds another tension: EU sustainability regulations such as the **EUDR** and the **Organic Regulation** are necessary in their objectives but can undermine living incomes if implementation costs are shifted upstream. **Research** from 2026 on coffee and cocoa producers in Guatemala, Peru, Ecuador and Brazil shows that cooperatives are paying for GPS mapping, geospatial platforms, legal and technical advice, data systems and administrative work that EU operators are legally responsible for. One Peruvian cacao cooperative estimated EUDR adaptation costs at US\$60,000-100,000, Peruvian coffee organisations reported that new compliance systems doubled administrative costs, and in Ecuador, estimates for initial compliance costs are currently around US\$5,000 per member organisation.

The updated **Organic Regulation** creates additional pressure through group-certification rules, including a 2,000-member cap, requirements for exclusively organic members and thresholds linked to farm size and organic sales. In Latin America, this can force cooperatives to split organic and conventional members, undermining decades of inclusive cooperative organisation. The lesson is not to weaken environmental ambition, but to require cost-sharing, recognition of credible national systems and market rewards for higher standards. Otherwise, Europe's sustainability agenda risks being implemented at the expenses of the very producers it relies on.



4. Public and private initiatives to address buyer power and UTPs

4.1. Competition policy: a framework not built for buyer power

The original report argued that mainstream competition policy was not well equipped to address buyer power as it treated consumer preferences mainly based on low prices, analysed each link of the chain in isolation.

While important milestones have occurred since 2014, the diagnosis remains relevant. In 2023 the commission released its updated [Guidelines on the applicability of Article 101 of the Treaty on the Functioning of the European Union to horizontal co-operation agreements](#). These new guidelines incorporated a specific chapter on sustainability agreements, that did not exist in their previous iteration, and this chapter explicitly mentions living incomes and living wages as legitimate objectives.

While this development was celebrated by the Fair Trade movement, it in practice resulted in very limited progress. Despite the recognition of social objectives as legitimate, companies have argued that the conditions for sustainability agreements to be considered as “unlikely to produce appreciable negative effects on competition” are restrictive. In particular, the standard must satisfy at least one of the following:

- a) It must not lead to a significant increase in the price or a significant reduction in the quality of the products concerned;
- b) The combined market share of the participating undertakings must not exceed 20 % on any relevant market affected by the standard.

For those agreements that do restrict competition within the meaning of Article 101(1) TFEU, the conditions of efficiency gains, indispensability, pass-on to consumers remain. In conclusion, despite a more conducive narrative framework (i.e. a specific chapter in the new guidelines), the challenges encountered in 2014 remain relevant in 2026.

The Commission's 2026 [report](#) on the application of EU competition rules to agriculture highlights how the agricultural sector needs a tailored competition framework. However, the Commission recognises the “significant untapped potential” in these measures such as exclusions from competitions rules aimed at rebalancing the position of farmers. For instance, many producer organisations still operate without formal recognition and therefore cannot fully benefit from these competition-law exclusions. Despite progress, competition policy does not systematically address whether concentration strengthens buyer power or undermines fair value distribution. For instance, Article 210a CMO allows certain sustainability agreements in agriculture, however this does not take into consideration living incomes, sustainable production costs or fair value distribution.

Ultimately, competition law plays a central role in addressing power imbalances, but its dominant interpretation does not place the farmers' bargaining power in the centre. This creates a negative effect: companies may hesitate to cooperate on issues such as living incomes, sustainable production costs or fairer value distribution because they fear breaching competition rules. It is crucial to make competition policy an enabling framework for fair and sustainable supply chains.



Fairtrade Česko a Slovensko

5. Revisiting the study's proposals for regulating buyer power: Today's priorities for action

We believe that the analysis from the 2014 [Who's got the Power study](#) remains valid, and if the analysis still holds, so do its recommendations. Updating each of them in detail goes beyond the reach of this paper. Instead, we revisit them against the backdrop of recent policy developments that both show certain points of leverage but also exposes how far we still have to go. The EU now has a framework to tackle

UTPs, new due-diligence obligations, stronger sustainability rules, a clearer language around living income. The Commission's own 2025 [Vision for Agriculture and Food](#) explicitly recognises that farmers should not be "forced to systematically sell their products below production costs." The challenge today is to move from acknowledging power asymmetries, to ensuring that market, trade and sustainability rules contribute to rebalancing power, securing fair value distribution, protecting rights and creating resilient supply chains.

The following section assesses each of the original recommendations against relevant policy developments since their publication.

Proposal 1: Foster a better balance of power in agricultural chains

1.1. Greater investment in farmer and worker organisations in the Global South

The original proposal argued that collective organisation only rebalances power if farmer and workers organisations are invested in, demanding a dedicated European Sustainable Investment Fund for the Global South. This proposal has not been realised in the form as originally envisaged. Some parts have been taken forward through fragmented initiatives. The [European Fund for Sustainable Development Plus](#) supports some agricultural specific extra-EU financing channels such as the [Agricultural and Rural Finance \(AgreenFi\)](#) and development programs such as the [Farmers' organizations for Africa, the Caribbean and the Pacific programme \(FO4ACP\)](#) which help strengthen farmer organisation's governance, economic services and access to markets. Nevertheless, these initiatives do not provide a permanent instrument designed to strengthen both farmer and worker organisations and rebalance their power towards buyers.

1.2. Extending bargaining power in the CAP to non-EU farmers who supply products to the European market

The original study emphasised the importance of collective bargaining power, calling for the tools available under the CAP to be extended to non-EU farmers. Since 2014, [CMO reforms](#) have aimed to strengthen the balance of power by increasing the recognition of producer organisations, collective bargaining, value sharing clauses and sustainability cooperation. Yet, these instruments do not give non-EU producers equivalent recognition, support or collective negotiating rights. The [UTP Directive](#) in contrast extends beyond EU borders but only offers limited protection by prohibiting specific unfair practices without tackling their causes.

1.3. Rehabilitate and revisit the concept of product/sector negotiation roundtables to bring together producers, traders and manufacturers to discuss the sustainability of agricultural chains and necessary trading conditions.

Commodity platforms such as the [World Banana Forum](#) and its [National Commission for Ecuador](#) provide spaces for dialogue between government, producers and trade unions to discuss issues such as value distribution and living income gaps. The [International Coffee Organisation's Coffee Public-Private Task Force](#) plays a similar role in the coffee sector, bringing governments and industry together to build consensus on closing living-income gaps. In the EU, the [Agri-food Chain Observatory \(AFCO\)](#) brings together actors from different stages of the chain and support dialogue, market transparency and analysis of costs, margins and value distribution. Nonetheless, such developments are mostly dependent on voluntary commitments, lacking the authority to negotiate or enforce binding sector-wide conditions.

Proposal 2: Enhance transparency in agricultural chains

2.1. Retailer disclosure of cost breakdowns

The original proposal demanded retailers to publish product-level cost breakdowns, including farm-gate prices and average workers' wages. Such disclosure remains voluntary. The [CSDDD](#) may improve transparency within companies by requiring those in scope to identify and address human-rights risks and, where relevant, adjust purchasing practices so they contribute to living wages and incomes. However, its public reporting duties do not require retailers to show how the price of a particular product is divided along the supply chain.

2.2. Developing methodologies for sustainable production costs

The proposal also called on the FAO to develop mechanisms for evaluating the cost of sustainable production. The FAO has developed useful building blocks such as a [Handbook on Agricultural Cost of Production Statistics](#). Within the EU, the creation of [AFCO](#) in 2024 to bring more transparency on prices, costs and distributions of margins and added value presents an opportunity to have a centralised body to ensure greater transparency in agricultural chains. However, AFCO needs a stronger mandate and capacities, allowing for the systematic monitoring of prices, costs and margins; the capacity to develop contextualised production cost calculation methodologies; to require data submissions rather than depend on voluntary input; and a scope that reaches beyond EU-grown produce to key imported products such as bananas, cocoa, coffee, cane sugar, tea, rice and others.

The [2026 CMO amendment](#) also strengthens contractual transparency by making written contracts the standard. Article 168 requires contracts to state the price or explain how it will be calculated, using accessible indicators or methods that may reflect market conditions and relevant production and market costs.

However, this information is shared between the contracting parties, it does not provide public transparency on farm-gate prices, sustainable production costs or value distribution across the chain, and is again, limited within the EU.

2.3. Consumer demand for greater transparency

The original proposal envisaged consumers and consumer organisations demanding greater transparency from retailers regarding how value is distributed along agricultural supply chains. Yet, consumers still cannot compare retailers according to the share of the price reaching farmers and workers, because the underlying farm-gate, wage and margin data are not published. The [Empowering Consumers Directive](#) protect against misleading sustainability claims but also social claims such as those concerning fair wages and working conditions. However, although the reliability of claims would increase, there exists no requirements to disclose specific figures behind those claims or to show how value is shared along the chain.

2.4 Competition authorities use cost-breakdown data in their operations

The proposal recommended that competition authorities use cost-breakdown data in their enforcement activities. AFCO can now provide authorities with evidence relating to prices, costs and margins, potentially improving the information available for competition and market analysis. Nevertheless, there remains no EU-wide obligation requiring retailers to publish product-level cost breakdowns.

Proposal 3: Renew the European competition policy framework

3.1. Addressing excessive buyer power and retail concentration

The original proposal called for EU competition policy to address structural problems such as excessive buyer power and increasing concentration in the retail sector. No dedicated EU instrument has been created since. The Commission's response has been analytical rather than regulatory: following a request from the European Parliament, the 2020 [report on retail alliances](#) prepared by the Joint Research Centre mapped how national and European buying alliances operate, but concluded that there was little evidence available on their effects further upstream, and in particular on farmers. Monitoring work has since been concentrated in the [Agri-food Chain Observatory](#), created in 2024.

EU competition law still offers no structural remedy. The Commission may open sector inquiries under Regulation 1/2003, yet it cannot impose remedies where a market is durably concentrated in the absence of an identified infringement.

3.2. Addressing anticompetitive and abusive behaviour

The proposal also called for stronger action against anticompetitive agreements and abusive unilateral behaviour in the retail sector. However on such behavioural issues, enforcement has remained within the ordinary framework of Articles 101 and 102 TFEU. The Commission launched preliminary investigations on the European retail alliances AgeCore and Coopernic and [closed both cases in July 2023](#), finding no evidence of anticompetitive effects and restating that preserving the capacity of retailers to reduce prices to consumers is a key objective of competition policy.

The 2023 Horizontal Guidelines devote a dedicated chapter to sustainability agreements, but there is limited proof of tangible impacts on the ground.

At national level, France has gone furthest. Following the notification of the AURA agreement (Intermarché, Auchan, Casino) under Article L.462-10 of the Commercial Code, the rapporteur général of the Autorité de la concurrence opened an investigation in 2024 and identified upstream risks for a significant number of mid-sized suppliers; in November 2025 AURA agreed to remove several dozen of them from the scope of joint negotiations, returning them to separate talks. Separately, on 9 January 2026 the Autorité triggered for the first time the ex post "competitive assessment" mechanism, covering both AURA and the new CONCORDIS alliance (Carrefour, Coopérative U and Germany's RTG), with findings due by the end of 2026 and in 2027 respectively. This is the most concrete attempt anywhere in the EU to test what purchasing alliances actually do to suppliers.

3.3. Introducing neutrality into competition policy

The proposal called for neutrality between actors in the supply chain to become a general principle guiding EU competition policy. This has not occurred. The closest development is [Article 210a of the CMO Regulation](#), introduced in 2021 and clarified by Commission guidelines in December 2023, which excludes from Article 101 TFEU agreements of agricultural producers that restrict competition where this is indispensable to sustainability standards higher than those required by EU or national law. The guidelines nevertheless define sustainability narrowly, around environmental protection, the reduction of pesticides and antimicrobials, and animal health and welfare, so that agreements pursuing economic and social objectives fall outside the exclusion and must instead be assessed under the ordinary Article 101 framework.

The reasoning used to close the AgeCore and Coopernic cases illustrates the persistence of a consumer price focus in the interpretation of the rules, and the direction of travel since the Draghi report (2024) and the Competitiveness Compass (2025) has been competitiveness and scale rather than the balance of power inside chains. The [draft Merger Guidelines](#) published in April 2026 open a narrow door by recognising that excessive buyer power over workers can harm competition, but neutrality between the actors of the chain is still not a principle guiding the interpretation and implementation of the rules.

3.4. Regulating abuse of economic dependency

On 5 March 2026 the Commission published a call for evidence on action against territorial supply constraints (TSCs), identified in the Single Market Strategy of 21 May 2025 as one of the "Terrible Ten" most harmful barriers to the Single Market. The call for evidence sets out four options, of which Option 3 is explicitly "legislation based on the concept of economic dependence", drawing on models already in force in France, Germany and Italy, to catch conduct by non-dominant firms. The call for evidence ran to 2 April 2026; a 12-week public consultation opened on 28 May 2026; the Commission is aiming for a legislative proposal in Q4 2026.

3.5. Increasing scrutiny of retail-sector mergers

The proposal demanded an increased scrutiny of mergers in the retail sector with a view to ex ante precluding the accumulation of excessive buyer power and increased market concentration. Merger control has been reviewed since 2014, but not in the direction proposed. The turnover thresholds of the Merger Regulation are unchanged, and the Court of Justice's [Illumina/Grail judgment of September 2024](#) closed the route by which the Commission had sought to review acquisitions falling below both EU and national thresholds, leaving such deals to an uneven set of national call-in powers. The [draft Merger Guidelines](#) published on 30 April 2026, the

most significant overhaul of the framework in two decades, consolidate the 2004 and 2008 guidelines into a single text, extend the analysis to labour markets where a merger confers excessive buyer power over workers, and address portfolio effects that strengthen a merged firm's bargaining position towards retailers. The consultation closed in June 2026, and adoption is expected around the end of the year.

However, most grocery retail mergers fall below EU thresholds and are reviewed nationally, no ex ante presumption against the accumulation of buyer power has been introduced, and the political framing of the review is European scale and competitiveness rather than the protection of suppliers upstream.

Proposal 4: Build stricter enforcement mechanisms to stop unfair trading practices

4.1. A coordinated enforcement framework with protection for all suppliers

The UTP Directive delivered much of what the initial report demanded. But the [2025 Commission evaluation](#) shows weaknesses of the Directive which have been elaborated on throughout this paper. Most notably, where the initial report demanded strong accessibility and anonymity safeguards, the Commission has acknowledged how the Directive fails to guarantee full anonymity, especially in concentrated sectors. This points to a central issue not yet overcome i.e. the “fear factor”. Besides fear, awareness remains a central issue as many actors, especially beyond the EU remain unaware that the Directive exists at all.

Enforcement is also highly uneven with few cross-border cases and many legal limitations on sharing confidential information. The new [Regulation on cooperation among enforcement authorities \(EU\) 2026/697](#) tackles this by

strengthening cooperation, information sharing and mutual assistance between authorities. Yet, the main limitations remain as an improved cooperation framework is meaningless if suppliers never complain in the first place.

Beneath these implementation and enforcement gaps is the issue that many UTPs remain outside of the list of prohibited practices, such as circumventing producer organisations to negotiate prices directly with individual members. Most strikingly, although the Commission itself has called for the need to help prevent farmers from being systematically forced to sell below production costs, this practice is still not prohibited, even though it is among the most harmful. Concrete solutions nevertheless exist. A [2026 study](#) by Oxfam Belgium presents a “mixed presumption” approach where purchasing below published sustainable-production costs would be presumed unfair, rebuttable by the buyer only in exhaustively listed cases (overproduction, food-waste prevention, a significant shift in market conditions, or an individually certified production cost).

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Proposal 5: Implement Fair Trade principles in practice

5.1. Business commitment to Fair Trade principles

Business actors committing to Fair Trade principles is essential for tackling buyer power at its root. The Fairtrade system for instance ensures a minimum price that functions as a safety net for producers against market volatility, with a price premium that producers democratically control. Fairtrade's development of a [Living Income Reference Price](#) establishes a benchmark of what farmers of crops such as cocoa and coffee need to earn a decent living, which any buyer can adopt as a reference point. Some leading companies already do so such as Tony's Chocolonely.

Nevertheless, the voluntary nature of such initiatives heavily limits their reach and impact. Measures such as banning the practice of buying below production costs should be introduced in EU legislation.

5.2. Consumer accountability and demand for Fair Trade

Consumers now have stronger protection against misleading sustainability claims, as the [Empowering Consumers Directive](#) enables them to be challenged. But the Directive does not require retailers or brands to adopt Fair Trade principles, pay prices linked to living incomes, or disclose how value is shared along their chains. Consumer demand remains useful, yet responsibility should not rest on individuals. [Recent trends](#) show how for instance environmental considerations in purchasing decisions have been decreasing since 2022. Businesses must therefore change their purchasing practices, while public rules should make fair pricing and responsible sourcing normal conditions of trade.



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