



FCCA and the Food Supply Chain

A perspective on unfair trading practices

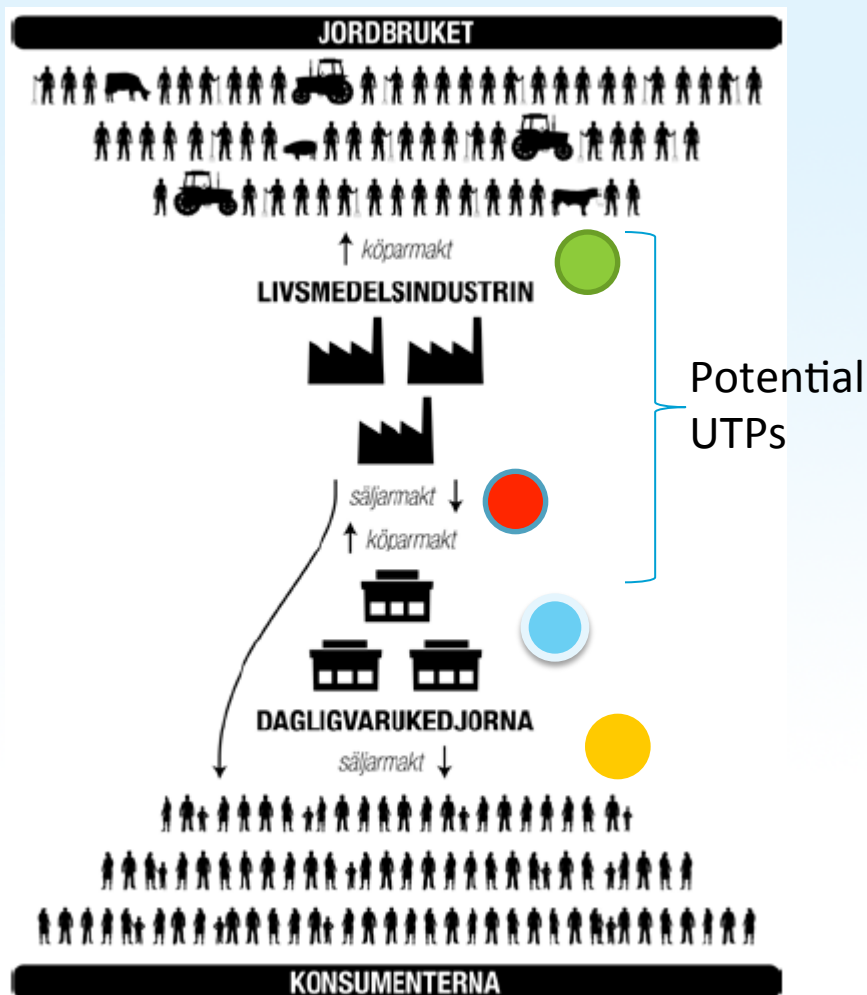
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Outline

1. On the FCCA market studies on the food supply chain
2. Major findings
3. Lessons learned...
4. ...and the way forward
5. Bibliography

1. FCCA market studies - Four years in retrospect



- 2012 Effects of retail sector's buyer power
- 2013: Factors influencing the competitive conditions in primary production
- 2013: Planning practices regarding retail trade
- 2015 Study on factors affecting the consumer purchasing behaviour in retail trade.

Illustration: Per Thornéus

Source: Swedish Consumer Authority

2. Major findings related to UTPs

2012 Buyer power study

- Private Labels reinforces the retailers role as a gatekeeper
 - In combination with Category management, slotting allowances, pricing of PL & brands
 - Yields cost information to retailers
 - Auction mechanism & trust
- Potential competition concerns:
 - Gratuitous "marketing fees"
 - Unfair transfer of risks
 - Forced repurchase of unsold items

2013 Study on primary production

- Oral agreements that are not always respected
- Responsibility of spoilage or loss
- Extensive terms of payment
- Exclusive supply agreements between meat producers and meat processing industry
 - Sale of livestock without price information

3. Lessons learned...

- "Unfairness" does not easily translate into infringement of competition law
 - Existing tools in Competition Law more effective on some forms of behaviour
- Abuse of a dominance
 - foreclosure vs. exploitation
- Separate, but in parallel with the market studies:
- Amendment of Competition Act in 2013 (with effect from 1st of January 2014)
 - Paragraph 4a: a retailer with a market share exceeding 30% has a dominant position

4. ...and the way forward

- Retail trade in focus at the FCCA
 - Sales statistics and loyalty programs dealt with ex-officio
 - For other practices in await of complaints
- Positive developments
 - FCCA dialogue with the retailers
 - Board for good trading practices within the Central Chamber of Commerce (Farmers are represented)
- Modern Retail Study by DG COMP
 - Source of scientific and unbiased information
 - Platform for discussion
 - An extension to more concentrated markets clearly advisable and valuable

Bibliography

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Thank You for Your Attention!

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