

















Re: Trilogue negotiations concerning proposed *Directive on unfair trading practices in business-to-business relationships in the food supply chain*

Brussels, 17 November 2018

Dear Minister,

On behalf of the undersigned organisations, we are writing with regard to the inter-institutional negotiations concerning the Commission's proposal for a *Directive on unfair trading practices in business-to-business relationships in the food supply chain* (PE623.672v01-00).

We are deeply concerned that two amendments to this proposed legislation, which were adopted by the European Parliament's Committee on Agriculture and Rural Development, could seriously undermine and even reverse progress made in improving animal and environmental standards through the voluntary commitments of retailers and food service providers.

As outlined below, the Parliament's rapporteur, Paolo De Castro (S&D), had **publicly pledged** to ensure that this would not happen. However, the feedback that we have received following the trilogue meeting held on 7th November suggests that he may be **reneging on this promise**.

We are therefore urging the Council to ensure that both these controversial amendments are rejected during the trilogue negotiations.

What are the issues at stake?

The report adopted by the European Parliament's AGRI committee report included two controversial amendments to Article 3, which would seek to prohibit:

AM 64: "A buyer unilaterally imposes quality standards that are not based on current legislation, quality schemes, science or current practices, which may have a distorting effect on trade."

AM 65: "provisions laid down by the buyer regarding environmental protection and animal welfare standards which are more stringent than the relevant legal provisions in force."

While amendment 65 directly addresses animal welfare and environmental standards, both amendments would effectively prevent retailers from refining their sourcing requirements for products that are raised with higher animal welfare and developed with stronger environmental standards than is required by EU legislation.



















For example, the EU Laying Hens Directive permits the use of enriched cages, while leading retailers and food service providers in the EU have elevated their supply beyond these legal minimum requirements, in response to consumer preference for cage-free eggs. This amendment would essentially force retailers and food service providers to accept products for which there is less demand and further, would limit the ability of consumers to purchase animal products that are aligned with how animals should be treated in food production.

Around the world, food and hospitality providers have led the move towards cage-free egg procurement, with more than three hundred companies globally committing to source exclusively cage-free eggs. These include the world's largest food retailers and manufacturers, including Tesco, Carrefour, Unilever, and Nestlé. These amendments would prevent such commitments in the EU, which is currently a beacon for higher animal welfare and environmental standards.

Rapporteur De Castro's commitment to protect animal welfare & environmental standards On 15th October 2018, the AGRI rapporteur, Paolo De Castro (S&D), released an unofficial <u>press</u> release on the European Parliament website stating that:

"The European Parliament has always sought to support and promote production of premium quality products in the EU, which respect higher environmental and animal welfare standards. I can assure you that EP negotiators will continue to do so in talks with EU ministers on the final wording of the anti-UTPs law. We know what makes our products so appreciated all around the World and we have absolutely no intention in undermining their added value."

Unfortunately, Mr <u>De Castro appears to be backtracking on this commitment, agreeing to drop AM 65 only on the condition that AM 64 is adopted</u>. If ever adopted in the proposed legislation, both these amendments would significantly undermine established and accepted animal welfare and environmental protection business standards in the EU, which were intentionally set above the legally required minimum.

We therefore urge you to hold Mr De Castro to account and ensure that both amendments 64 and 65 are dropped during the inter-institutional negotiations, to preserve animal welfare and environmental protection standards that go beyond the minimum legal standards and which have been voluntarily achieved in the EU through retailers and suppliers response to consumer demand.

Thank you for your consideration. Please contact Alexandra Clark via aclark@hsi.org should you have any questions.



















Yours faithfully,

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