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Herausgeber:

Bundesverband Großhandel,  
Außenhandel, Dienstleistungen e.V.

Am Weidendamm 1A  
10117 Berlin

Telefon 030 590099-561  
Telefax 030 590099-519

www.bga.de info@bga.de

Autor:

**Sebastian Werren**  
Agrar- und Ernährungswirtschaft  
sebastian.werren@bga.de

## **Agriculture and Food Economy Consultation on market transparency**

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### **1.1 Introduction**

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The Federation of German Wholesale, Foreign Trade and Services (BGA) is the leading organization for the wholesale, foreign trade and service sector in the Federal Republic of Germany. Our members in the agriculture and food economy branch cover the trade (external and internal) with among others meat, poultry meat, eggs, fresh fruit and vegetables, dried fruit and vegetables, grain, canned products, frozen products, nuts, flowers and coffee. BGA welcomes the Commission consultation on the Implementing Regulation as regards notifications to the Commission of information and documents, aiming at improving transparency in the EU food chain.

### **2.1 General remarks**

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BGA favours the market oriented approach of the current Common Agricultural Policy. We support, in principle, market transparency and the work of the current price observatories as a means of generating a better understanding of the functioning of the food supply chain at all levels. However, market transparency must not degenerate into an end in itself. Additional efforts for extra market information should always be gauged at the expected effects. In this particular case we doubt that the proposed Implementing Regulation will be of any benefit for farmers in terms of improving their negotiation position within the food chain. Therefore, it would not justify the additional efforts that would have to be made by the companies concerned. Furthermore we are concerned about the following points.

### **3.1 Threat to commercial confidentiality and competition**

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Adding data to be reported along the chain will be a threat to commercial confidentiality and hamper competition amongst operators, as it could impair arbitrage possibilities and therefor reduce operators' negotiating capacity – thus restricting competition on the market. More price transparency could even lead to downward pressure on price and thereby lower farmers' income.

#### **4.1 Lack of comparability**

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We also doubt that the data compiled by the proposed implementing regulation can be compared in a meaningful way amongst Member States since the EU food chain is characterised by a large number of production systems with different cost bases, different distribution channels and numerous products with very different specifications.“

In the fruit sector, for example, prices change practically daily, in both directions, depending on the market situation. Neither farmers nor anyone else is helped by such detailed information about past prices.

#### **5.1 Prevent unnecessary bureaucracy**

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In our opinion the proposed Implementing Regulation for more transparency in the EU's food chain would only create another bureaucratic monster of no use. There is no need to intervene in functioning markets in a regulatory way. Experiences from the past have shown very often that measures like this have regularly led the agricultural sector into crisis.