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14 October 2024

**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
COMPETITION COMMITTEE**

Cancels & replaces the same document of 6 August 2024

Global Forum on Competition

COMPETITION IN THE FOOD SUPPLY CHAIN

Session IV – Call for country contributions

2-3 December 2024

This document is a call for country contributions for Session IV of the Global Forum on Competition to be held on 2-3 December 2024. GFC participants are invited to submit their contributions by 31 October 2024 at the latest.

JT03551903

TO ALL GLOBAL FORUM PARTICIPANTS

Re: Roundtable on “Competition in the Food Supply Chain”

23rd Global Forum on Competition (2-3 December 2024)

Dear GFC Participant,

On 3 December 2024, the [Global Forum on Competition \(GFC\)](#) will hold a Roundtable on “Competition in the Food Supply Chain.” This letter provides some background information on the topic and is an invitation for written submissions to this Roundtable from those agencies that have relevant experience in this area.

The food supply chain represents a set of transactions from the supply of inputs to farmers through to arrival at a consumer residence. Smooth operation of the food supply chain has been disrupted in recent years, and questions have been raised over whether inflation arises to some extent from market failures in this chain. The purpose of this roundtable will be to consider the different elements of a food supply chain and how government policy related to competition, including competition law enforcement, can play a role to limit market failures. To the extent the greater competition can limit inflationary tendencies, citizen benefits can arise not only for pocketbooks but, more fundamentally, for long-term health. The political importance of the topic as agricultural reforms related to markets and competition can both generate civil unrest and farmer unrest. This relevance is further illustrated by the regularity with which exemptions from competition law have been granted to the agricultural sectors.

The topic has not been directly discussed at the GFC before. Nonetheless themes related to agriculture, food and distribution agreements have been raised on a number of occasions in the Competition Committee. These have included [Competition and Inflation](#) in 2022, [Competition Issues in the Food Chain Industry](#) in 2013, [Competition and Commodity Price Volatility](#) in 2012, [Resale Price Maintenance](#) in 2008, Bundled and Loyalty Discounts and Rebates in 2008, [Resale Below Cost Laws and Regulations](#) in 2005 and [Competition and Regulation in Agriculture: Monopsony Buying and Joint Selling](#) in 2004. There have also been many related discussions of supply chains and cases related to food products in other work of the OECD.

This roundtable will consider several aspects of food supply chains and their relationship to competition. The relevance of food supply chains in the global context is particularly high, due to the fine balancing that takes place between government intervention and market operation. This intervention can be most notable at times of scarcity. It has led the leaders of five international organisations to call on governments to “facilitate trade, improve the functioning of markets, and enhance the role of the private sector” and “reform and repurpose harmful subsidies with careful targeting and efficiency”.¹ More specifically, the OECD Global Forum on Competition will discuss how market failures or competition law may apply to:

- Supplies to farmers;
- Purchasing from farmers, whether occurring at markets or direct with downstream buyers;
- The storage and transport of food;
- The standards for delivering and packing food products;
- The distributor to retailer negotiation and how competition law applies, including RPM and rebates; and
- Grocery chain buyer power and potential consequences.

We invite participants to submit contributions on how they address these questions and what their experience is in relation to food supply chains more broadly. The quality and usefulness of the roundtable

¹ See <https://www.worldbank.org/en/news/statement/2023/02/08/joint-statement-on-the-global-food-and-nutrition-security-crisis>, accessed June 23, 2024.

will be greatly strengthened by written contributions. In order to assist you with the preparation of your contribution, the session will be supported by a background paper.

We refer you to the background paper, which will be circulated on O.N.E. in the coming months, to the suggested preliminary bibliography included at the end of this letter, and to the more detailed list of questions in the Annex. The list in the Annex is not exhaustive; you are encouraged to raise and address other issues in your submissions and during the discussion.

The OECD webpage for the roundtable will be the primary vehicle for conveying document and related links on this subject (see the GFC website: oe.cd/gfc24). Unless explicitly requested not to do so, the Secretariat will reproduce all written contributions on the site.

In order to ensure an effective preparation of the roundtable discussion, I would be grateful if you could let the Secretariat know by **Friday 27 September 2024** at the latest if you are planning to make a written contribution on the topic. Written submissions are due by **Thursday 31 October 2024** accompanied by a short summary of the content (no more than one page) and failure to meet this deadline may result in your contribution not being distributed to delegates via O.N.E. in a timely fashion in advance of the meeting.

All communications regarding the documentation for this roundtable should be sent to Nasli Aouka (nasli.aouka@oecd.org). Please address all substantive queries relating to this discussion to Antonio.Capobianco@oecd.org and Carolina.Abate@oecd.org.

ANNEX – Suggested questions for consideration in the written contributions

Roundtable on *Competition in the Food Supply Chain*

This Annex provides a list of question for consideration in preparing a written contribution. A contribution does not need to cover every listed question, and you may wish to address issues not listed here. You are encouraged to refer to relevant cases, studies or advocacy where appropriate to illustrate your answers. Please prepare your contribution as an integrated essay rather than a list of answers to questions. You may wish to include an annex with short case references.

Purchasing of produce from farmers

- Do farmers typically or commonly sell their produce through markets and, if so, are these markets regulated by the state?
- Do farmers have an option over to whom they sell their produce and
- Can farmers reasonably predict the price they will receive prior to picking and moving their produce to the site for sale.

The storage and transport of food

- Are farmers restricted in their choice between storage or immediate sale?
- Is the transport of food and animals carried out with limited competition, for example due to licensing restrictions or standards for carrier vehicles and treatment of animals?

The standards for delivering and packing food products

- Have standards resulted in coordination between farmers, producers or retailers that is deemed potentially illegal?
- Have standards prevented imports of products?
- Is the process of approval and licenses for importing food equally fast for all importers?

The distributor to retailer negotiation and how competition law applies, including resale price maintenance (RPM) and rebates

- Do distributors seeks to impose common conditions on buyers over price, advertising or other product features?
- Is RPM or other common conditions viewed as a competition law violation?
- How does the authority view distribution agreements between producer/processors and vertically integrated distributors?
- Have rebates offered by distributors led to any competition cases?

Grocery chain buyer power and potential consequences

- Have any grocery chain practices towards distributors and producers been found problematic for competition law or fair contracting, and if so why, including
 - ex post demands for discounts,
 - sales of promotional purchases at non-promoted prices,
 - demands for payment of shared marketing expenses,
 - tying of third party payment mechanisms,
 - delays in payment,
 - making no payment for wastage,
 - payments for better positioning of goods (unrelated to promotions),
 - category captains, and
 - stocking fees?

Preliminary Bibliography

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