Fairness and sustainability in food supply chains and public policy

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The UK food supply chain - regulation and fairness, climate change commitments, and the future for trading relationships
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Key challenges

Food chain needs **collaboration** to deliver and sell food product at market = shared interest for food chain actors

– But taking **of value added** from the food supply chain can mean exerting **some advantage over others** in the chain
= Ongoing **collaboration & conflict** in food supply chain relationships

– **How can collaboration** best serve **the public interest** in terms of sustainability?
– **What is the role of policy** in this? Look at EU & UK
1. Sustainable food supply chain collaboration & Competition Law: EU & UK

• **EU Competition law** focus = consumer (price) & overall impact of **collusion** on overall market

• **But superseded** by COM(2018) 173 final: *unfair trading practices in business-to-business relationships in the food supply chain*  

• Art. 39 of the TfEU: *‘contributing to a fair standard of living for the agricultural community’*  
  • promote farmer-producer interests  
  • Bilateral business relationships  
  • Generic = Fails to differentiate between agri-food sectors e.g. Dairy, vegetables etc.

• **Sidestepped** in UK policy with *Food Industry Sustainability Strategy* (2006) collaboration for food manufacturing Industry (led way for FDF 5 year ambition).

• **Waived** to co-ordinate UK food supplies during COVID-19 outbreak
2. Social sustainability: workforce in food supply chains

- **Fairness** is a general principle of EU administrative law, *the equal treatment of all people or parties, irrespective of differences in status, power or other social, physical or cultural differences*.

- **EU policy** interventions embrace work conditions and health of the labour force upon which such chains depend.
  - The European Pillar of Social Rights
  - Regulations for precarious work (inc. seasonal)
  - Minimum wage promotion

- **UK** Gangmasters & Labour Abuse Authority (GLAA) & **Modern Slavery Act**

- **Fairness** enhanced by a more explicit recognition of how policy ensures fairness along food value chains to include the role of the workforce. More than **B2B**.
3. UK Agriculture Bill 2020

• Enabling Bill

• Compel actors to provide agri-food supply chain data = transparency

• Clauses strengthening Producer Organisations in relation to Competition Law & Inter Branch Organisations (more restricted)

• Clause 27 on Fair Dealing of business purchasers of agricultural produce,
  • Fair Dealings requirements
  • extend beyond retail to “first buyers” from “qualifying sellers” broadens scope of producers
  • extend to overseas producers
  • beyond Grocery Code Adjudicator remit
  • More specific sector interventions mooted – e.g. existing voluntary dairy & beef forums compulsory
Concluding thoughts

• Need regulatory innovation

• = public interest + Competition Law addition to promote sustainability collaboration in food chains

• Ag Bill Clauses on POs & IBOs send signals

• More specific regulatory interventions beyond generic food chain to address particular food chains e.g. dairy, fresh produce etc. will need to be implemented

• Think through & implement fairness in terms of social sustainability for the workforce in food supply chains

• = Essential workers (COVID-19)
Thank you

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See also
https://valumics.eu