



Code of conduct for fair trading relationships between suppliers and buyers in the Agro Food Chain

2010-2011 Annual Report

The code of conduct for fair trading relationships between suppliers and buyers was signed by all representative organisations of the Agro Food Chain on 20 May 2010.

This code anticipates that an annual report is issued on the basis of the input of the relevant sector organisations without stating individual names. The committee of sector organisations decides on possible adjustment of the code and informs the minister and the administration about its activities.

This report has been divided into 4 themes:

- Adherence
- Follow-up of the recommendations
- Dispute resolution
- Possible adjustments

1. Adherence

The recommendations become binding through individual adherence of the operators to a declaration of fair trading relationships between suppliers and buyers.

On 1 September 2011 **221 companies** signed the adherence of which

- **42 compound feed companies** (BEMEFA)
- **166 companies from the food industry** (FEVIA)
- **13 companies from the retail sector** (COMEOS)

The lists of acceded companies are available on the websites of these sector organisations.

For the ABS, Boerenbond, FWA, UNIZO and UCM organisations the signature of the chairman applies to all members.

2. Follow-up of the recommendations

Below an overview is provided of the activities for each of the recommendations:

- *Suppliers and buyers exchange general information in order that the seller can better gear the offer to the demand and can – where necessary – diversify or convert.*



COMEOS announced that it would present a plan of approach at the first following meeting of the Chain platform.

- *Suppliers and buyers act as partners endeavouring sustainable development of the entire Agro Food Chain. In this context the following three dimensions are considered in their entirety and approached uniformly:*
 - *“Society” (a correct income for both employees and employers);*
 - *“Environment” (an activity that burdens the ecological system as little as possible for future generations);*
 - *“Economy” (an economic return that is sufficient to guarantee the continuity of the links in the Chain.*

The crisis in the pork sector gave cause to multiple meetings of the Agro Food Chain platform in the course of which negotiated solutions were pursued in order to guarantee the living conditions for the pig breeders.

In the first instance all actors of the chain committed to maintain the pre-crisis price level with an unchanged procurement policy. In a subsequent phase a proposal was discussed for stabilisation at the European level of the raw materials prices for the pig breeders.

- *Buyers guarantee an accurate handling of the Food products in order that the efforts of the suppliers are valorised maximally.*

This theme was not handled during the period of this report.

- *Buyers offer and promote local products to the extent that they are competitive (in the area of the price and the quality) and are in line with their commercial strategy.*

Since 2008 the members of COMEOS have committed to support the Belgian agriculturists and horticulturists by boosting their communication about Belgian products in the points of sale.

The share of Belgian products on the shelves of the members of COMEOS is maintained at a very high level. For the products of animal origin this increases up to 95%. It is difficult to provide a global percentage for vegetables and fruits. Within the offer of the Belgian growers equally high percentages are recorded in the harvest season.

- *Buyers comply with the contractually stipulated, where applicable statutory, payment terms. In this respect the moments of the transfer of title that can differ depending on the sector and the product are taken into account.*

This theme was not handled during the period of this report.

- *Suppliers and buyers prepare a written agreement with clear terms and conditions (where necessary the pricing method) of which both parties can take note in advance.*

This theme was not handled during the period of this report.



- *Suppliers and buyers do not impose unilateral changes of contractual terms and conditions.*

Reference is made to point 3 “Dispute resolution”.

- *Suppliers and buyers acknowledge the possibility of relying on mediation with agreement of both parties in terms of the mediator.*

This theme was not discussed during the period of this report.

- *Suppliers and buyers resolutely opt for the consultative model as a strategy to solve disputes in their mutual relationship.*

During the pork crisis an association of pig breeders took actions against companies of the meat sector and the trade sector on several occasions, however the undersigned Agro organisations distanced themselves from this.

3. Dispute resolution

The platform does not handle individual complaints. If an incident has a wide scope then the undersigned organisations inform each other accordingly with a copy to the chairman of the platform. The latter keeps an overview of the incidents. The follow-up of these incidents is evaluated in the plenary platform.

During the period of this report four incidents were reported that were related to unilateral change of contractual terms and conditions. The relevant sector organisations followed each of these incidents. This implies that clarification was provided about the policy of the relevant operator according to the principle of “comply or explain”. The complaints were each time solved or appeared to be in accordance with the code.

4. Possible adjustments

A possible adjustment of the code is irrelevant today. Should this change in the future then the members of the sectoral meeting will always remember that the code is a national initiative, however that European harmonisation is pursued simultaneously.

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