



## **PRESS RELEASE**

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### **CELCAA workshop on Unfair Trade Practices: Trade already delivering on Dispute Resolution**

**Tackling unfair trading practices in the EU food chain was the subject at a Celcaa workshop organised on 22<sup>nd</sup> February and attended by a number of Commission representatives. Presentations came from across the cereal & oilseed, dairy, potato and fruit and vegetable sectors.**

**The workshop provided an ideal opportunity to challenge DG Agri on how the role of the trade in underpinning the efficient operation of the wider food chain is fully understood through the EU institutions. In particular the workshop drew out examples of existing practices, not least the provision of arbitration services, which delegates were clear should not be damaged or rendered ineffective by whatever proposals might subsequently be brought forward.**

Jaine Chisholm Caunt, Director General of GAFTA, spoke about Gafta contracts and arbitration and how these served to self-regulate trade and keep it flowing. *"Gafta contracts are made available for anyone to use and are party neutral and reflect current trade practices. They are kept up to date by Gafta International Contract Policy Committee (ICPC) and contractual disputes are resolved through Gafta's international arbitration service, using a pool of more than 75 arbitrators who are experienced trade professionals"*. She said *"it is estimated that 80% of the world's trade in grain is shipped on Gafta contracts"*.

A theme returned to on more than one occasion was recognizing the difference between what might constitute an unfair trading practice and negotiating positions which were a natural consequence of operating in a global trade environment. As a business, traders have to look at what mechanisms they are able to access to deal with what might be seen as a UTP.

Jack Baines, President of Eucolait, the European Dairy Trade Association, stressed that *"Trade must be correctly defined. In the dairy sector, it is pervasive throughout the supply chain but individually small. The scope of future regulation must be selective and not generate collateral damage to trade"*.

*"In the debate on UTPs, there is no one size fits all approach. The fruit and vegetable sector is increasingly moving towards greater consolidation and integration and long term relationships within a supply chain with added value. Working towards more market stability and transparency, and maintaining the necessary flexibility in relationships to enable adjustment to both supply and demand fluctuations are both important for a competitive way forward in the sector"*, highlighted Philippe Binard, General Delegate of Freshfel.

Returning to the arbitration theme, Raquel Izquierdo de Santiago, Secretary General of Europatat and European Delegate of RUCIP noted *"Arbitration of disputes can play an important role for all players in the chain. They offer crucial elements such as confidentiality, cost effectiveness, quicker resolution, and the ability to choose arbitrators with technical and subject matter expertise in the specific sector."*

Bringing the workshop to a close Paul Rooke, Celcaa President, reinforced the concern that any course of action the Commission might take over the coming months should recognise the role the trade plays in delivering chain efficiencies across all sectors. *"At the same time it is imperative that proposals brought forward do not undermine existing well understood and well-practiced dispute resolution mechanisms such as those we have heard about today,"* he concluded.

**CELCAA** is the EU umbrella association representing EU organisations covering the trade in cereals, grains, oils and fats, sugar, fruit and vegetables, olive oil, agro-supply, animal feed, wine, meat and meat products, dairy and dairy products, eggs and egg products, poultry and game, tobacco, spices, cut flowers and plants and general produces. Members include CEEV, CIBC, COCERAL, EUCOLAIT, EUWEP, FETRATAB, FRESHFEL, GAFTA, SACAR and UECEBV. CELCAA's main objectives are to facilitate understanding of European decision-makers and stakeholders on the role played by the European traders in agri-products; to act as a platform of dialogue and communication with the European Institutions and to encourage public and general interests in agri-trade issues.

## **ENDS**

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