



3rd October 2022

EU Agricultural and Agri-food trade industry statement: Public Consultation: EU competition law – evaluation of the Consortia Block Exemption Regulation

CELCAA, the European Liaison Committee for Agricultural and Agri-Food Trade, is the umbrella organisation representing European associations and companies active in the single market as well as in worldwide agricultural and agri-food trading. With that regard, CELCAA represents the trade in meat, cereals, oilseeds, rice, pulses, olive oil, oils and fats, animal feed and agri-supply, wine, dairy, sugar, eggs and processed eggs, tobacco, dried nuts and canned fish, hops, and tea. At retail level, CELCAA further represents the Butcher Crafts sector. As such, CELCAA addresses horizontal issues without interfering with the sectoral interests of its European member organisations.

The European agri-food trade sector looks with concern at the wrenched sea freight market and the continued lack of competition in the shipping market, which has been challenging agricultural and agri-food trade which significantly impacted global food supply and security. Therefore, CELCAA welcomes the review of the Consortia Block Exemption Regulation as part of the broader reflection on how the current distorted sea freight market and maritime transportation system can be recalibrated.

Since the outbreak of the COVID-19 pandemic, the sector has experienced increased challenges in delivering goods to its customers because of a continued lack of availability of containers and vessels, resulting in delays of shipments and arrivals combined with exceptionally high freight rates. Accompanied by port congestion and inland transport delays, as well as high bidding rates at the spot markets for sea freight, the sector's overall costs for delivering services have been significantly increasing, affecting not only the short-term efficiency of low-margin industries but also the long-term sustainability of the agri-food trade sector at large. Furthermore, shipping lines have been extending their services towards door-to-door services, which has led to a further reduction in choices for traders. Continued delays and shipping backlogs have also resulted in a shortage of available input products such as packing materials like wood packaging, cartons, and glass, and not least, the availability of agricultural input products such as fertilizers and plant protection products, leading towards a further destabilization of the agri-food market and endangering timely production and delivery to customers.

Acknowledging that the current situation is not only a result of a distorted sea freight market but also an interplay of geopolitical and economic elements, we'd like to underline that agricultural and agri-food trade remains a key pillar to global nutrition and food security. Therefore, we'd like to encourage the review of the CBER with taking into account the essential role of agricultural and food products and ensure long-term sustainable trading operations.
