

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL  
amending Regulations (EU) No 1308/2013, (EU) 2021/2115 and (EU) 2021/2116 as regards  
the strengthening of the position of farmers in the food supply chain**

**Compromise Amendments**

**CA 1 - Regulation (EU) No 1308/2013 - Article 88a**

**Optional terms for commercial modalities**

1. The terms ‘fair’, ‘equitable’ or terms equivalent to these terms may be used only, alone or in combination with other terms, on the labelling, in the presentation, on advertising material or on commercial documents of a product of the sectors listed in Article 1(2) that is placed on the market, ***with the prior consent of the farmer or their representative organisations*** provided that these terms are used to inform purchasers about existing modalities for the organisation of production, distribution, or placing on the market, which contribute at least to:
  - (a) stability, ***including through contracts between producers and buyers to limit the impact of economic uncertainties, traceability*** and transparency in the relations of farmers with purchasers along the supply chain,
    - (aa) ***promoting the development of democratically managed collective organisations of farmers***
    - (ba) ***payment of an additional amount to the producer, in particular to fund joint projects***
  - (b) a price considered equitable ***and remunerative*** by participating farmers for their products ***and work also on the basis of the indications provided by the European Agri-Food Supply Chain Observatory (AFCO)***
  - (c) collective ***and socio-economic*** initiatives pursuing one or several of the United Nations Sustainable Development Goals ***contributing to the development of rural communities***
  
2. The term ‘short supply chain’ may be used only, alone or in combination with other terms, on the labelling, in the presentation, on advertising material or on commercial documents of a product of the sectors listed in Article 1(2), ***produced in the EU Single Market*** that is placed on the ***EU Single Market, with the prior consent of the farmer or their representative organisations***, provided that the term is used to inform purchasers about existing modalities for the organisation of production, distribution, or placing on the market, which provide for: ***at least one of the following conditions:***

- (a) a direct connection or *a limited number of intermediaries*, between the farmer, *cooperative or producer organisation*, and the final consumer of the product, or
  - (b) a close connection, and geographical proximity, *understood as a short distance or short travelling time, including cross-border contexts*, between the farmer, *cooperative or producer organisation* and the final consumer of the product.
3. The Commission may adopt *delegated* acts in accordance with Article 227 to specify further the conditions referred to in paragraph 1, points (a), (b) and (c), and in paragraph 2, points (a) and (b), taking into account any relevant international standard *and related quality certified schemes*.
  4. The Commission is empowered to adopt delegated acts in accordance with Article 227, amending paragraph 1 to add terms that are equivalent to the terms 'fair' or 'equitable', when such equivalent terms are used on the market to inform purchasers about the commercial modalities referred to in paragraph 1.
  5. Member States may adopt or maintain national rules laying down conditions additional to those referred to in paragraph 1, points (a), (b) and (c) and in paragraph 2, points (a) and (b), for the use of the terms referred to in paragraphs 1 and 2 respectively. Such rules shall not prohibit, restrict or impede the use of the terms referred to in paragraphs 1 and 2 for products that are legally produced or marketed in another Member State under the terms referred to in paragraphs 1 and 2.
  6. This Article shall be without prejudice to the rules laid down in Regulation (EU) No 1169/2011;
- 6a** *The Commission shall assess the feasibility and added value of introducing a harmonised EU visual label on short supply chain products.*

<p><b>CA 2 - Regulation (EU) No 1308/2013 - Article 148</b></p>
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**Contractual relations in the milk and milk products sector**

1. Every delivery in the Union of milk and milk products by a farmer, a producer organisation or an association of producer organisations, to a processor, collector, distributor or retailer shall be covered by a written contract between the parties.  
Such contract shall fulfil the conditions laid down in paragraphs 4 and 8.  
For the purposes of this Article, a "collector" means an undertaking that transports raw milk from a farmer or another collector to a processor of raw milk or another collector, where the ownership of the raw milk is transferred in each case.

2. Member States may also decide that:
- a) the delivery of milk and milk products by *producers that are not covered by paragraph 1* ~~a producer other than a farmer, a producer organisation or an association of producer organisations to a processor, collector, distributor or retailer~~ shall be covered by a written contract;
  - b) ~~the first purchasers of milk and milk products~~ *producer organisations, associations of producer organisations or farmers* shall make a written offer for a contract for the delivery of milk and milk products *to the first purchasers by the farmer, a producer organisation or an association of producer organisations.*

Such a contract or offer for a contract shall fulfil the conditions laid down in paragraphs 4 and 8.

3. Member States shall establish a mediation mechanism to cover cases in which there is no mutual agreement *on the formalisation, interpretation or fulfilment of* a contract referred to in paragraphs 1 and 2 or to revise such a contract. *This mechanism shall be voluntary for the contracting parties and impartial and may include representatives of farmers' representative organisations.*

Member States shall inform the Commission of the mediation *legal framework mechanisms available* in their territory.

4. The contract or the offer for a contract referred to in paragraphs 1 and 2 shall:
- (a) be made in advance of the delivery,
  - (b) be made in writing, *whether on paper or in digital form, and*
  - (c) include, in particular, the following elements:
    - (i) the volume of raw milk or the quality and quantity of milk or milk products to be delivered, and the timing of such deliveries;
    - (ii) the price payable for the delivery *with explicit indication of all payments, including applicable discounts, which shall*
      - be static and set out in the contract; or
      - be calculated by combining various *objective, verifiable, non-manipulable* factors set out in the contract, which shall include objective indicators, indices or methods of calculation of the final price, that are easily accessible and comprehensible and that reflect changes in market conditions *inflation, and full* production costs, *including the remuneration of farmers total costs for additional services*, the quantities delivered and the quality or composition of the milk and milk products delivered.

To that effect, Member States *or regional authorities* may determine indicators, *that shall be published online for use in contracts* in accordance with objective criteria based on studies carried out on production and the food supply chain, *or using data communicated by interbranch organisations recognised in accordance with Article 157 or data from the EU Agri-Food Chain Observatory.* The parties to the contracts shall be free to refer to these indicators or any other indicators;

- (iii) include the duration of the contract, which may include a definite duration or an indefinite duration with a termination clause. In the case of a contract with a minimum duration longer than six months and the contract *shall* include a revision clause that may be triggered by the farmer, a producer organisation or an association of producer organisations *on the basis of unforeseen circumstances - such as extreme weather events, animal disease outbreaks, geopolitical tensions, or any other reason that prevents the agreed price from covering the farmers' costs*;
  - (iv) details regarding payment periods, procedures *and the point in time in which the ownership and risk transfer*;
  - (v) arrangements for collecting or delivering milk or milk products; and
  - (vi) rules applicable in the event of force majeure
5. By way of derogation from paragraphs 1 and 2, a written contract or a written offer for a contract shall not be required in the following cases:
- (a) the milk or the milk products concerned are delivered by a member of a producer organisation or cooperative to the producer organisation or cooperative of which it is a member provided that the statutes of that producer organisation or cooperative or the rules and decisions provided for in, or derived from, these statutes contain provisions *having similar objectives as effects* to the provisions set out in paragraph 4;
  - ~~(b) the first purchaser of milk or milk products is a micro or small-sized enterprise within the meaning of Recommendation 2003/361/EC<sup>1</sup>;~~
  - ~~(c) the delivery and the payment for the milk or milk products take place simultaneously;~~
  - (d) the delivery is made for free or in the context of the disposal of milk or milk products which are no longer fit for sale.
6. Member States may decide that a written contract or a written offer shall not be required in one or more of the following cases:
- (a) the delivery concerns products of a value equal to or below a threshold to be determined by the Member State, which shall not exceed EUR ~~10 000~~ **4.000**;
  - ~~(aa) the first purchaser of milk or milk products is a micro or small-sized enterprise within the meaning of Recommendation 2003/361/EC<sup>1</sup>;~~
  - ~~(ab) the delivery and the payment for the milk or milk products take place simultaneously or at the latest within 5 working days;~~
  - (b) the delivery concerns milk and milk products that are subject to seasonal supply or demand fluctuations or perishability;
  - (c) the delivery concerns milk and milk products that are subject to traditional or customary selling practices.
7. Where pursuant to paragraph 5, points ~~(b)~~, ~~(c)~~ *and* (d), or paragraph 6, a written contract or a written offer for a contract is not required, a farmer, a producer organisation, or an association of producer organisations may require that a delivery

<sup>1</sup> Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises, (OJ L 124, 20.5.2003, p. 36, <http://data.europa.eu/eli/recco/2003/361/oj>).

of milk or milk products be the subject of a written contract or of a written offer for a contract. Such a contract or offer for a contract shall fulfil the conditions laid down in paragraph 4 and paragraph 8, first subparagraph.

8. All elements of contracts for the delivery of milk or milk products concluded between farmers, producer organisations or associations of producer organisations and collectors, processors, distributors or retailers, including the elements and their components referred to in paragraph 4, point (c), shall be freely negotiated between the parties, ***without prejudice of the additional requirements introduced by Member States.***

Member States may establish one or more of the following:

- (a) in respect of the written contracts referred to in paragraph 1 of this Article:
- (i) an obligation for the parties to agree on a relationship between a given quantity of milk or milk products delivered and the price payable for that delivery;
  - (ii) a minimum duration which shall be at least six months and shall not impair the proper functioning of the internal market;
- (b) in respect of the written offers referred to in paragraph 2, point (b), an obligation that the written offer shall include a minimum duration for the contract, set by national law. Such a minimum duration shall be at least six months and shall not impair the proper functioning of the internal market.

Farmers, producer organisations or associations of producer organisations may refuse in writing the minimum duration imposed pursuant to the second sub-paragraph.

9. Member States may require the purchaser of milk or milk products to register the written contracts referred to in paragraph 1 prior to the delivery of the milk or milk products concerned by the farmer, a producer organisation or an association of producer organisations to a collector, processor, distributor or retailer in their territory.
10. Member States that make use of the options referred to ***in this Article paragraphs 2, 6, 8 and 9*** shall notify the Commission of how they are applied.
11. The Commission may adopt implementing acts laying down measures necessary for the uniform application of paragraphs 4 and 5 and measures relating to notifications to be made by the Member States in accordance with paragraph 10. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

### CA 3 - Regulation (EU) No 1308/2013 - Article 149

#### Contractual negotiations in the milk and milk products sector

1. A producer organisation in the milk and milk products sector which is recognised under Article 161(1) may negotiate on behalf of its farmer members, in respect of part or all of their joint production, contracts for the delivery of raw milk by a farmer to a processor of raw milk, or to a collector within the meaning of the third subparagraph of Article 148(1).

2. The negotiations by the producer organisation may take place:

- a) whether or not there is a transfer of ownership of the raw milk by the farmers to the producer organisation;
- b) whether or not the price negotiated is the same as regards the joint production of some or all of the farmer members;
- c) provided that, for a particular producer organisation, all of the following conditions are fulfilled:
  - i. the volume of raw milk covered by such negotiations does not exceed ~~4%~~ 10 % of total Union production,
  - ~~ii. the volume of raw milk covered by such negotiations which is produced in any particular Member State does not exceed 33 % of the total national production of that Member State, and~~
  - iii. the volume of raw milk covered by such negotiations which is delivered in any particular Member State does not exceed 33 % of the total national production of that Member State;
- d) provided that the farmers concerned are not members of any other producer organisation which also negotiates such contracts on their behalf; however, Member States may derogate from this condition in duly justified cases where farmers hold two distinct production units located in different geographic areas;
- e) provided that the raw milk is not covered by an obligation to deliver arising from the farmer's membership of a cooperative in accordance with the conditions set out in the cooperative's statutes or the rules and decisions provided for in or derived from these statutes; and
- f) provided that the producer organisation notifies the competent authorities of the Member State or Member States in which it operates of the volume of raw milk covered by such negotiations.

3. Notwithstanding the conditions set out in of point (c)(ii) and (iii) of paragraph 2, a producer organisation may negotiate pursuant to paragraph 1 provided that, with regard to that producer organisation, the volume of raw milk covered by the negotiations which is produced in or delivered in a Member State having a total annual raw milk production of less than 500 000 tonnes does not exceed 45 % of the total national production of that Member State.

4. For the purposes of this Article, references to producer organisations include associations of such producer organisations.

5. For the purposes of applying point (c) of paragraph 2 and paragraph 3, the Commission shall publish, by such means as it considers appropriate, the amounts of raw milk production in the Union and the Member States using the most up-to-date information available.

<p><b>CA 4 - Regulation (EU) No 1308/2013 - Article 152</b></p>
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**Producer organisations**

(a) paragraph 1 is amended as follows:

(i) point (a) is replaced by the following:

‘(a) are constituted by producers, in one or several sectors listed in Article 1(2) ~~or by producers of organic products in one or several sectors listed in Article 1(2)~~, and are controlled by farmer members, **or, in the case of the fruit and vegetables sector, producers** in accordance with Article 153(2), point (c);

(ii) in point (b), the introductory sentence is replaced by the following:

‘(b) are formed on the initiative of farmers, **or, in the case of the fruit and vegetables sector, producers** and carry out at least one of the following activities:’;

(iii) point (c)(vi) is replaced by the following:

‘(vi) promoting and providing technical assistance for the use of production standards, improving product quality and developing products with a protected designation of origin, with a protected geographical indication or covered by a national quality label, carrying out initiatives promoting short supply chains or the use of the optional terms referred to in Article 88a;’;

(b) in paragraph 1a, the first subparagraph is replaced by the following:

‘1a. By way of derogation from Article 101(1) TFEU, a producer organisation recognised under paragraph 1 of this Article, or a producer organisation, , including a cooperative, **or any other equivalent legal form registered** according to **national law**, that has not been recognised as a producer organisation by a Member State, but meets the requirements set out in paragraph 1 of this Article and of Article 154, may plan production, optimise the production costs, place on the market and negotiate contracts for the supply of agricultural products, on behalf of its members for all or part of their total production.’;

***A producer organisation, including a cooperative, or any other equivalent legal form registered according to national law that has applied for recognition but has not been recognised as a producer organisation by a Member State may avail itself of this derogation within five years of the date of submission of the application for recognition.***

‘However, Member States may derogate from the condition set out in point (d) of the second sub paragraph in duly justified cases where producer members hold two distinct production units located in different geographical areas **and in the cases provided for in point (b) of Article 153(1).**’;

(c) in paragraph 1b, the following second subparagraph is inserted:

By way of derogation from paragraph 1a and the first subparagraph, an association of producer organisations recognised under Article 156(1) may also carry out the activities referred to in paragraph 1a, first subparagraph, ***with the exception of the fruit and vegetables sector unless expressly requested by an association of producer organisations***, provided that:

- a. its members have been recognised in accordance with paragraph 1 of this Article,
- b. its members are not members of another recognised association of producer organisations for any given product,
- c. its members comply with the conditions of paragraph 1a, second subparagraph, points (a) and (b),
- d. the volume of products covered by the activities referred to in the first subparagraph of paragraph 1a does not exceed 33% of the total national production of any given Member State ***or 5% of the production of the EU as a whole***.

<p><b>CA 5 -Regulation (EU) No 1308/2013 - Article 153</b></p>
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### Statutes of producer organisations

***(-a) in paragraph 1, point (b) is replaced by the following:***

***(b) be members of only one producer organisation for any given product of the holding; however, Member States may derogate from this condition in duly justified cases where producer members hold two distinct production units located in different geographic areas or where producer members entrust different producer organisations with the marketing of their products, other than the products listed in Parts IX and X of Annex I, intended for different uses, and where these organisations do not therefore compete with each other;***

***2a.*** The statutes of a producer organisation ***must ensure that the objective of concentration of supply is achieved, in particular by ensuring that the producer organisation negotiates and determines the essential elements of sales such as price, quality and volume. The statutes may*** provide for the possibility of members, being in direct contact with purchasers, provided that such direct contact does not jeopardise the objectives pursued by the producer organisation, or the concentration of supply and placing of products on the market by the producer organisation. Concentration of supply ***and placing of products on the market*** shall be deemed to have been ensured if the essential elements of the sales such as price, quality and volume are negotiated and determined by the producer organisation.

***The statutes of a producer organisation that allows direct contact between members and purchasers may include internal control and prevention mechanisms to ensure that such contact does not adversely affect the concentration of supply or the commercial strategy of the organisation;***

***~~3. Paragraphs 1 and 2 shall not apply to producer organisations in the milk and milk products sector.~~***

<b>CA 6 - Regulation (EU) No 1308/2013 - Article 168</b>
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### Contractual relations

1. Every delivery in the Union of agricultural products from a sector listed in Article 1(2), other than milk and milk products and sugar, by a farmer, a producer organisation or an association of producer organisations to a processor, distributor or retailer, shall be covered by a written contract between the parties.

Such contract shall fulfil the conditions laid down in paragraphs 4 and 8.

2. Member States may also decide that:
  - (a) the delivery of agricultural products by *producers that are not covered by paragraph 1* ~~a producer other than a farmer, a producer organisation or an association of producer organisations to a processor, collector, distributor or retailer~~ shall be covered by a written contract,
  - (b) *producer organisations, associations of producer organisations or farmers the first purchaser of the agricultural product* shall make a written offer for a contract for the delivery of agricultural products *products to the first purchasers by the farmer, a producer organisation or an associations of producer organisations.*

Such a contract or offer for a contract shall fulfil the conditions laid down in paragraphs 4 and 8.

3. Member States shall establish a mediation mechanism to cover cases in which there is no mutual agreement *on the formalisation, interpretation or fulfilment of* a contract referred to in paragraphs 1 and 2 or) such a contract. *This mechanism shall be voluntary for the contracting parties and impartial and may include representatives of farmers' representative organisations.*

Member States shall inform the Commission about the mediation *legal framework or* mechanisms *established available* in their territory

4. The contract or the offer for a contract referred to in paragraphs 1 and 2 shall:
  - (a) be made in advance of the delivery,
  - (b) be made in writing, *whether on paper or in digital form* and
  - (c) include, in particular, the following elements:
    - (i) the price payable for the delivery *with explicit indication of all payments, including applicable discounts*, which shall
      - be static and set out in the contract or
      - be calculated by combining various *objective, verifiable, non-manipulable* factors set out in the contract, which shall include objective indicators, indices or methods of calculation of the final price, that are easily accessible and comprehensible and that reflect changes in market conditions, *inflation, full* production costs, *including the remuneration of farmers, the total costs for*

*additional services*, the quantities delivered and the quality or composition of the agricultural products delivered; to that effect, Member States *or regional authorities* may determine indicators , *that shall be published online for use in contract*, in accordance with objective criteria based on studies carried out on production and the food supply chain, *data provided by the interbranch organisations recognised in accordance with Article 157(1), or data from the EU Agri-Food Chain Observatory* The parties to the contracts shall be free to refer to these indicators or any other indicators which they deem relevant.

- (ii) the quantity and quality of the agricultural products concerned which may or must be delivered and the timing of such deliveries,
  - (iii) the duration of the contract, which may include either a definite duration or an indefinite duration with a termination clause. In the case of contracts with a minimum duration longer than six months *and twelve months for sectors that trade in future markets*, the contract *shall* also include a revision clause that may be triggered, in particular, by the farmer, a producer organisation or an association of producer organisations, *on the basis of unforeseen circumstances - such as extreme weather events, animal disease outbreaks, geopolitical tensions, or any other reason that prevents the agreed price from covering the farmers' costs;*
  - (iv) details regarding payment periods, procedures *and the point in time in which the ownership and risk transfer ;*
  - (v) arrangements for collecting or delivering the agricultural products,
  - (vi) rules applicable in the event of force majeure
5. By way of derogation from paragraphs 1 and 2, a written contract or a written offer for a contract shall not be required in the following cases:
- (a) The agricultural products concerned are delivered by a member of a producer organisation or cooperative to the producer organisation or cooperative of which they are a member provided that the statutes of that producer organisation or cooperative or the rules and decisions provided for in, or derived from, these statutes contain provisions *having similar objectives -effects to as* the provisions set out in points (a), (b) and (c) of paragraph 4;
  - ~~(b) the first purchaser of the agricultural products concerned is a micro or small-sized enterprise within the meaning of Recommendation 2003/361/EC;~~
  - ~~(c) the delivery and payment of the agricultural products concerned take place simultaneously;~~
  - (d) the delivery is made for free or in the context of the disposal of -products which are no longer fit for sale.
6. Member States may decide that a written contract or a written offer shall not be required in one or more of the following cases:
- (a) the delivery concerns products of a value equal to or below a threshold to be determined by the Member State, which shall not exceed EUR ~~10 000~~ **4.000**;

- (aa) *the first purchaser of the agricultural products concerned is a micro or small-sized enterprise within the meaning of Recommendation 2003/361/EC;*
  - (ab) *the delivery and payment of the agricultural products concerned take place simultaneously) or at the latest within 5 working days;*
  - (b) the delivery concerns agricultural products that are subject to seasonal supply or demand fluctuations or perishability;
  - (c) the delivery concerns agricultural products that are subject to traditional or customary selling practices
- 6a. *Member States may, at the request of an interbranch organisation recognised under Article 157(1) or, an organisation deemed largely representative of an agricultural sector, decide to exempt certain specific sectors from the requirement for a written contract, set out in paragraphs 1 and 2 of this Article, with the exception of the milk sector. This exemption shall apply without prejudice to the provisions of paragraph 7 of this Article.*
7. Where pursuant to paragraph 5, points ~~(b)~~, ~~(c)~~ and (d), paragraph 6 *and 6a*, a written contract or a written offer for a contract is not required, a farmer, a producer organisation or an association of producer organisations, may require that any delivery of agricultural products to a processor, distributor or retailer be the subject of a written contract between the parties or of a written offer for a contract. Such a contract or offer for a contract shall fulfil the conditions laid down in paragraph 4 and paragraph 8, first subparagraph.
8. All elements of contracts for the delivery of agricultural products concluded between farmers, producer organisations or association of producer organisations, and processors, distributors, or retailers including those elements and their components referred to in paragraph 4, point (c), shall be freely negotiated between the parties, *without prejudice of the additional requirements introduced by Member States.*
- Member States may establish one or more of the following:
- (a) in respect of the written contracts referred to in paragraph 1 of this Article, a Member State may establish:
    - (i) an obligation for the parties to agree on a relationship between the given quantity of agricultural products delivered and the price payable for that delivery;
    - (ii) a minimum duration, which shall be at least six months and shall not impair the proper functioning of the internal market;
  - (b) in respect of the written offers referred to in point (b) of paragraph 2, an obligation that the written offer shall include a minimum duration for the contract, set by national law for this purpose. Such a minimum duration shall be at least six months and shall not impair the proper functioning of the internal market.
- Farmers, producer organisations or associations of producer organisations may refuse in writing the minimum duration imposed pursuant to the second sub-paragraph.
9. Member States may require, *where justified*, the purchaser of agricultural products to register the written contracts referred to in paragraph 1 prior to the delivery of the agricultural products concerned by the farmer, a producer organisation, or an

association of producer organisations to a processor, distributor or retailer in their territory, *except for seasonal and perishable products*.

10. Member States that make use of the options referred to *in this Article paragraphs 2, 6, 8 and 9* shall notify the Commission of how they are applied.
11. The Commission may adopt implementing acts laying down measures necessary for the uniform application of paragraphs 4 and 5 and measures relating to notifications to be made by the Member States in accordance with paragraph 10. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).’;

### CA 7 - Regulation (EU) No 1308/2013 - Article 210a

#### Vertical and horizontal initiatives for sustainability

3. For the purposes of paragraph 1, ‘sustainability standard’ means a standard which aims to contribute to one or more of the following objectives:
  - (a) environmental objectives, including climate change mitigation and adaptation, the sustainable use and protection of landscapes, water and soil, the transition to a circular economy, including the reduction of food waste, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems;
  - (b) the production of agricultural products in ways that reduce the use of pesticides and manage risks resulting from such use, or that reduce the danger of antimicrobial resistance in agricultural production; and
  - (c) animal health and animal welfare;
  - (d) supporting the economic viability of *small and family farms with a standard output as defined in Article 2, point (8), of Council Regulation (EC) No 1217/2009 that shall not exceed 100 000 EUR*;
  - (e) attracting and supporting young producers of agricultural products; or
  - (f) improving working and safety conditions in agricultural or processing activities;
    - (fa) *promotion of local agricultural production*;
    - (fb) *joint management of waste directly related to agricultural production and a better use of livestock effluents and energy production*;
    - (fc) *guarantee of a stable and fair income that covers production costs and a strong position throughout the value chain for farmers*;
    - (fd) *applying investments for the use of water resources*;
    - (fe) *contribution to the diversification of activities promoting the rural economy, to the development and attractiveness of rural areas*;
    - (ff) *promoting cultural and gastronomic heritage to foster education on topics relating to balanced diets*;
    - (fg) *preserving traditional production practices food security and food sovereignty*;

<p><b>CA 8 - Regulation (EU) No 1308/2013 - Article 222</b></p>
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**Application of Article 101(1) TFEU**

EC: in Article 222, paragraph 1 is replaced by the following: (...)

‘1. During periods of severe imbalance in markets, the Commission may adopt implementing acts to the effect that Article 101(1) TFEU is not to apply to agreements and decisions of farmers, farmers' associations, or associations of such associations, or recognised producer organisations, associations of recognised producer organisations and recognised interbranch organisations in any of the sectors referred to in Article 1(2) of this Regulation, provided that such agreements and decisions do not undermine the proper functioning of the internal market, strictly aim to stabilise the sector concerned and fall under one or more of the following categories:

- (a) market withdrawal or free distribution of their products *including to charity bodies*;
- (aa) *declassifying surplus organic products for conventional markets*;
- (b) transformation and processing;
- (c) storage by private operators;
- (d) joint promotion measures;
- (e) agreements on quality requirements;
- (f) joint purchasing of inputs necessary to combat the spread of pests and diseases in animals and plants in the Union or of inputs necessary to address the effects of natural disasters in the Union;
- (g) temporary planning of production taking into account the specific nature of the production cycle *in particular of perishable products*;

Where the Commission adopts implementing acts in accordance with the first subparagraph of this Article, it may decide to make Union support from the agricultural reserve referred to in Article 16 of Regulation (EU) 2021/2116 available to the Member States concerned, *with it being possible for that support to be mobilised immediately in the event of a crisis, provided that it has first assessed the feasibility of such support*. Such financial support shall provide the means necessary for the implementation of these agreements and decisions by the operators concerned. *The Commission shall ensure that use of funds to support actions under this subparagraph does not compromise direct payments. If necessary, the Commission shall make available other Union funding to support actions under this subparagraph.*

CA 9 - Regulation (EU) No 1308/2013 - Annex X

Annex X

(9) Annex X is amended as follows:

(a) in Point I, point 1 is replaced by the following:

‘1. Delivery contracts shall be made in advance of the delivery, in writing for a specified quantity of beet.’;

(b) in Point I, point 2 is replaced by the following:

‘2. The duration of the delivery contracts may be pluriannual. ~~In the case of contracts with a minimum duration longer than six months, the contract shall include a revision clause that may be triggered by the farmer, a producer organisation or an association of producer organisations.~~’;

(c) in Point II, point 2, the following paragraph is added:

The price *shall* be calculated by combining various *objective, verifiable, non-manipulable* factors set out in the contract, which shall include objective indicators, indices or methods of calculation of the final price, that are easily accessible and comprehensible and that reflect changes in market conditions, *inflation and full* production costs, *including the remuneration of farmers, the total costs for additional services*, the quantities delivered and the quality or composition of the agricultural products delivered; to that effect, Member States *or regional authorities* may determine indicators , *that shall be published online for use in contracts*, in accordance with objective criteria based on studies carried out on production and the food supply chain, *data provided by the interbranch organisations recognised in accordance with Article 157(1), or data from the EU Agri-Food Chain Observatory*. The parties to the contracts shall be free to refer to these indicators or any other indicators which they deem relevant.

(d) in Point III, the following paragraph is added:

‘Delivery contracts shall contain rules applicable in the event of force majeure.’;

(e) the following Point IXa is inserted:

‘POINT IXa

‘Member States may require the sugar undertaking to register the written delivery contracts prior to the delivery of the sugar beet.’.

CA 10 - Regulation (EU) 2021/2115 - Article 52, 68 and 88

Regulation (EU) 2021/2115 is amended as follows:

(1) Article 52 is amended as follows:

(a) in paragraph 3, the following point (i) is added:

‘(i) the producer organisation or association of producer organisations implements an operational programme in a Member State in which the degree of organisation of producers in the fruit and vegetables sector has been less than 10 % for three consecutive years preceding the implementation of the operational programme. The degree of organisation shall be calculated as the value of fruit and vegetable production that was obtained in the Member State concerned and marketed by producer organisations or associations of producer organisations recognised under Regulation (EU) No 1308/2013, divided by the total value of the fruit and vegetable production that was obtained in that Member State.’;

(b) the following paragraph 5a is inserted:

‘5a. The 50 % limit provided for in paragraph 1 shall be increased to ~~60%~~ **70 %** for expenditure linked to the objectives referred to in Article 46, points (a), (b) or (c), if the following conditions are fulfilled:

(a) the expenditure is related to investments in tangible and intangible assets as referred to in Article 47(1), point (a), made by young farmers or new farmers, who join a producer organisation recognised under Regulation (EU) No 1308/2013 for the first time;

(b) are made at the premises of these young farmers or new farmers **or in the case of the fruit and vegetables sector, producers, who join a producer organisation recognised under Regulation (EU) No 1308/2013 for the first time**, as part of their first operational programme **and during the 7 years following the date on which young farmers or new farmer joined the producer organisation**

(c) the following paragraph 7 is added:

‘7. The 50 % limit provided for in paragraph 1 shall be increased to 70 % of the actual expenditure incurred in a given year for operational programmes implemented by producer organisations or associations of producer organisations and affected in this given year by adverse climatic events, natural disasters, plant diseases or pest infestations to be identified by the Member States.’;

**7a. The provisions in paragraph 7 may be extended to all products covered by Articles. 42 to 68 of the Reg. 2021/2115.**

(2) in Article 68, the following paragraph 2a is inserted:

‘2a. Article 52(3), points (a) to (d) and (f) to **(i)**, and Article 52(5a) of this Regulation shall apply *mutatis mutandis*.’;

(3) in Article 88, paragraph 7 is replaced by the following:

‘7. As of 2025, Member States may review their decisions referred to in paragraph 6 as part of a request for amendment of their CAP Strategic Plans made in accordance with Article 119 and decide to use up to 6 % of their allocations for direct payments set out in Annex V, where relevant after deduction of the allocations for cotton set in Annex VIII, for types of intervention in other sectors referred to in Title III, Chapter

III, Section 7, *provided that such a decision does not adversely affect the level of basic income support for sustainability*

The amount corresponding to the percentage of Member States' allocations for direct payments referred to in the first subparagraph of this paragraph and used for types of intervention in other sectors for a certain financial year shall be considered to be Member States' allocations per financial year for types of intervention in other sectors.'.

### CA 11 - Article 3 -Amendment of Regulation (EU) 2021/2116

In Article 16(1), second subparagraph, of Regulation (EU) 2021/2116, point (b) is replaced by the following:

'(b) exceptional measures under Articles 219, 220, 221 and 222 of Regulation (EU) No 1308/2013.'

### Recitals

#### CA Recital 1

(1) The agricultural sector, in particular farmers *who ensure food security*, face a range of challenges. The Covid-19 pandemic, *growing instability in world trade, increasing extreme weather events* and Russia's ongoing war of aggression against Ukraine have led to an unprecedented increase of energy-related agricultural input costs and a prolonged period of high inflation, affecting farmers' costs and food prices. In parallel, farmers continue to undertake efforts to make their production more environmentally sustainable *and face a significant regulatory burden due to overregulation*. Many consumers, dealing with an increased cost of living, have also directed their consumption patterns towards less expensive food products. *All the above factors have* further destabilised the distribution of value added along the food supply chain and has increased the degree of uncertainty in which farmers, *notably small and medium-sized farms*, operate, fuelling protests and mistrust. It is thus appropriate to adopt measures to tackle those challenges and restore *fairness*, the trust of the actors in the food supply chain, *and at the same time to be able to protect farmers' incomes and increase young people's confidence in that profession*.

*(1a) To strengthen the position of farmers in the agri-food supply chain, it is necessary to strengthen the role of producer organisations and cooperatives as generators of added value, through public policies that contribute to improving the cost-effectiveness, visibility and competitiveness of the products of their members, as well as improve their bargaining power.*

### CA Recital 3

In the interest of increased trust and fairness along the food supply chain, the terms ‘fair’, ‘equitable’ or equivalent terms, should be used only ***with the prior, informed consent of the farmer***, to designate commercial modalities that ensure stability and transparency in commercial relations between farmers and purchasers and pricing considered equitable by participating farmers, and that support and contribute to the United Nations Sustainable Development Goals, including in a manner that is consistent with Annex I of Directive (EU) 2024/1760 of the European Parliament and of the Council. ***It is essential therefore to guarantee transparent pricing and that value is distributed proportionally along the chain and reflects the efforts made and risks assumed by each party – particularly farmers, who represent the most vulnerable link in the chain.***

### CA Recital 4

The term ‘short supply chain’ should be used only ***with the prior consent of the farmer*** to designate commercial modalities where a direct connection or ***a limited number of intermediaries*** exists between the farmer, ***cooperatives or producer organisation*** and consumers that allows to exchange on the production process and the product, including by means of distance communication and/or via an intermediary who ensures such exchange at the moment of sale. Alternatively, this term may also be used where a close connection between farmers and consumers ***exists, which may also take the form of online sales, or*** geographic proximity exists, including in cross-border contexts, ***This geographic proximity should be assessed on the basis of a reduced transport distance or time.*** This will incentivise consumers to pay prices that fairly remunerate farmers for what they produce, strengthen and contribute to the development of rural areas, improve transparency regarding the origin and production methods of the products. ***It should apply to products produced in the EU Single Market and placed on the EU Single Market. This tool should contribute to more transparency, economic justice and to the revitalisation of rural areas without prejudice to the functioning of the Single Market.***

### CA Recital 5

In light of market conditions, evolving consumer expectations, advances both in marketing standards and in relevant international standards, ***delegated*** powers should be conferred on the Commission to ensure uniform conditions for the use of the optional terms designating commercial modalities related to the fair allocation of value added to farmers and the creation and maintenance of short supply chains.

### CA Recital 6

For those same reasons, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of additional optional terms that are equivalent to the terms ‘fair’ or ‘equitable’.

### CA Recital 7

While Member States may retain or introduce national provisions stipulating supplementary requirements for the use of optional terms for commercial modalities, those provisions should not hinder, limit, ***add regulatory burden for farmers, especially small and medium-sized farms*** or obstruct the use of these terms for products legally produced or marketed in another Member State.

### CA Recital 8

The use of written contracts plays an important role in the accountability of operators, raising awareness about the importance of market signals, adapting supply to demand, improving price transmission within the supply chain, enhancing transparency and preventing and addressing unfair trading practices ***and respecting remunerative prices for farmers. At the same time, the use of written contracts is crucial for the prevention of frequent abusive trading practices such as late payments, unilateral cancellation of orders and the retroactive amendment of terms of contract. These practices particularly affect small producers, who do not have the legal means to defend themselves.*** The rules on contractual relations in the milk and milk products sector should therefore be extended to cover products other than raw milk, while ensuring alignment with the rules on contractual relations applicable to other agricultural sectors. ***Implementing these measures will therefore create an enabling framework for agricultural producers, providing them with the necessary protection to capitalise upon and plan their production and, hence contributing to the development of the local economy.***

### CA Recital 9

In order to increase flexibility for Member States and simplify the procedure for the recognition of producer organisations, thereby reducing transaction costs and improving efficiency, the rules on producer organisations should allow for their recognition following a single request covering multiple sectors and products. Moreover, organic product producers may ***use the existing possibility for*** the establishment and recognition of producer organisations to ***enhance their collaboration.*** The criteria for the recognition of producer organisations and their statutes should also provide that producer organisations are established at the initiative of farmers ***or, in the case of fruit and vegetables, of producers*** and are controlled in accordance with rules that enable farmer members to scrutinise democratically their organisation and decisions.

### CA Recital 11

To ensure a fair standard of living for farmers, enhance their bargaining position vis-à-vis processors and other actors in the supply chain and provide for a fairer distribution of added value along the supply chain, the possibility of negotiating contract terms on behalf of their members should be extended to non-recognised producer organisations, including cooperatives, ***according to national law,*** for some or all of their production ***provided that these organisations have already lodged an application for recognition with a Member State within a maximum period of five years of submitting the application for recognition.*** To ensure equal treatment with members of recognised producer organisations, this possibility should be subject to appropriate limits. In particular, non-recognised producer organisations benefiting from that possibility should comply with the recognition criteria set at Union level and engage in the activities set out in Regulation (EU) No 1308/2013 of the European

Parliament and of the Council<sup>7</sup> , including concentrating supply and placing their members' products on the market.

### CA Recital 12

To strengthen the negotiating position of recognised producer organisations and to ensure the viable development of agricultural production, recognised associations of producer organisations should be allowed to negotiate contract terms on behalf of their members, including price, for some or all of their members' production, ***except for fruit and vegetables unless expressly requested by the APOs***. This possibility should be allowed, subject to the safeguard that the organisations which are members of those associations are not also members of another association of producer organisations and the volume of products covered by the activities of the association does not exceed 33% of the total national production of any given Member State ***or 5% of production in the EU as a whole***. In order to maintain effective competition on the market, recognised associations of producer organisations should also not be allowed to negotiate contract terms where those associations include non-recognised producer organisations.

### CA Recital 13

To prevent purchasers from undermining the bargaining position of producer organisations, appropriate safeguards should be established for contacts between purchasers and members of those producer organisations. While purchasers may contact members of producer organisations, those contacts should not undermine the objectives of the producer organisations, or the concentration of supply and placing of products on the market. ***In parallel, it is recommended that, besides standardised digital tools, farmers should also have the benefit of easily-completable standard contract formats which are available at national level and can be sent by email, in order to reduce red tape. Moreover, Member States should provide easily-accessible online training courses and instructions for the drafting and registration of contracts.***

### CA Recital 15

Certain Member States have decided that all deliveries of agricultural products in their territory are to be covered by written contracts between the parties. Where the Member States do not make use of this possibility, farmers, producer organisations or associations of producer organisations can request the use of written contracts. However, due to the weaker bargaining position of farmers and the fear of commercial retaliation by purchasers, it can be difficult for farmers and their associations to make such a request. To increase trust, transparency, and efficiency within the supply chain and to enable all farmers, producer organisations and associations of producer organisations to benefit from the use of written contracts, deliveries of agricultural products in the Union by a farmer, a producer organisation or an association of producer organisations to a processor, distributor or retailer should be covered by a written contract.

***Member States may, at the request of an interbranch organisation or an organisation deemed largely representative of an agricultural sector, decide to exempt certain specific sectors from the requirement for a written contract.***

### CA Recital 16

To better take into account the signals of the market and to improve price transmission, Member States should be able to require the use of written contracts for the delivery of agricultural products by producers other than farmers, by producer organisations or associations of producer organisations, and to require that *producers* make use of written offers for contracts for the delivery of agricultural products. In the interests of simplicity and reduction of transaction costs, this Regulation should lay down certain exceptions to the required use of written contracts or written offers for contracts and allow Member States to exempt certain deliveries from the required use of written contracts or written offers, while leaving farmers and their associations the possibility of requesting the use of written contracts or written offers when there is no such obligation. ***This flexibility should be applied without compromising the protection of farmers, while the exceptions must be clearly defined in order to prevent abusive interpretations and the circumvention of contractual obligations.***

### CA Recital 17

The required use of written contracts for the delivery of agricultural products and the basic conditions for their use should be laid down at Union level, while ensuring that the right of the parties to negotiate all elements of their contracts is not restricted beyond what is strictly necessary. ***However, Member States should not be prevented from taking stricter measures to combat unfair trading practices within the agricultural and food supply chain, provided that those measures are appropriate and proportionate with a view to ensuring that the objective is met, and are compatible with Directive 2019/633, including its Article 9. Simplification of the contracting process, notably by means of standardised and digitalised templates and formats that can be sent by email, is key in order to ensure effective and fair application of these rules, especially in the case of small producers, while sufficient flexibility should be ensured to properly account for the diversity of the farming sector.***

### CA Recital 18

To encourage parties to reach an amicable settlement in case of disputes over the conclusion or review of a written contract, Member States should establish mediation mechanisms, ***which should remain entirely voluntary for all parties.*** Member States should ***ensure that when there is no agreement on the formalization, interpretation or fulfilment of a contract, the parties may request*** mediation. Member States should inform the Commission about the mediation ***legal framework or*** mechanisms in place in their territory, and the Commission may facilitate exchanges of best practices about those ***legal frameworks or*** mechanisms.

### CA Recital 19

To facilitate the functioning of price transmission mechanisms, where the final price payable for the delivery of agricultural products is calculated by combining various factors set out in the contract, those factors should include objective indicators, indices or methods of calculation that are easily understandable by the parties. To avoid that farmers are forced to sell systematically below their production costs, the indicators, indices and methods of calculation of the final price should reflect changes in market conditions and production costs of the agricultural products delivered. ***The final price should cover the full production costs including fair remuneration of producers and total costs for additional services. The EU Agri-Food Chain Observatory (AFCO) may be used to provide information on prices in the***

*agri-food chain, cost structures, as well as of distribution of margins and added value, while adhering to confidentiality and competition rules.*

*The wholesale markets may play an important role in building prices mechanisms. They are accredited structures that can ensure prices transparency and contribute to a more balanced distribution along the value chain.*

#### CA Recital 20

Considering the vulnerable negotiating position of farmers and their organisations, recent instances of significant volatility in agricultural input costs and market prices, and the need for a more efficient price transmission within the supply chain, contracts with a duration of more than 6 months *and twelve months for sectors that trade in future markets should* include a revision clause that may be triggered by the farmers and their organisations. Such a clause should permit farmers to request after the 6 months at any moment a revision of the elements of the contract and permit them to end the contract in case no agreement on a revision is reached, without interfering with the right of the parties to negotiate other possibilities for the revision of the contract. *The contract may be revised on the basis of unforeseen circumstances - such as extreme weather events, animal disease outbreaks, geopolitical tensions, or any other reason that prevents the agreed price from covering the farmers' costs. This clause may contribute to better protecting farmers against market volatility and better adapt to economic realities.*

#### CA Recital 21

To enhance contractual transparency and contribute to fairer trading practices, Member States *may* require, *where justified*, the registration of written contracts for the delivery of agricultural products.

#### CA Recital 22

Certain vertical and horizontal cooperation initiatives concerning agricultural and food products, which aim to apply requirements that *could be* more stringent, *in ethical and social terms* than the mandatory requirements, can have positive effects on the objective of the common agricultural policy to ensure a fair standard of living for the agricultural community and on the objective of *socio-economic and sustainable development of rural areas* in the Union . Therefore, under specific circumstances, such initiatives should not be subject to the application of Article 101(1) of the Treaty on the Functioning of the European Union.

#### CA Recital 23

In periods of severe market imbalance, specific categories of collective actions by private operators can contribute to stabilise the sectors concerned. With a view to ensuring that private operators have the necessary resources to implement these actions, the Commission should be able to make available Union resources from the agricultural reserve to support these actions *while ensuring its feasibility and avoiding impact on direct payments. In that regard, the Commission should also make available other Union funding sources if necessary.* Member States should also be able to allocate additional national resources

### CA Recital 26

To strengthen the position of farmers in the food supply chain, several provisions of Regulation (EU) 2021/2115 of the European Parliament and of the Council<sup>8</sup> should be amended as regards the types of intervention in certain sectors. These amendments aim to support farmers to become or remain members of producer organisations or associations of producer organisations recognised under Regulation (EU) No 1308/2013, in light of the positive role these organisations and associations play in strengthening the bargaining power of producers. Moreover, to ensure a more efficient and targeted support of producer organisations through the CAP Strategic Plans, the possibility of an increase of the Union financial assistance to operational programmes in certain sectors should be provided for, ***while ensuring its feasibility and avoiding impact on direct payments.***

***In order to enhance the competitiveness and sustainability of producers, operational fund co-financing should be primarily directed towards investments directly linked to agricultural production, collective actions benefiting all members of the PO and digitalisation. The administrative and bureaucratic burden on POs in the implementation of operational programmes should be significantly reduced, in order encourage engagement by beneficiaries.***

### CA Recital 30

In order to support the setting-up of types of intervention in the other sectors referred to in Article 42, point (f), of Regulation (EU) 2021/2115, Member States should be allowed, as of 2025, further flexibility to adjust the allocation of funds to these sectors by using up to 6 % of their allocations for direct payment ***while ensuring its feasibility and avoiding impact on direct payments.***

### CA Recital 32

With a view to ensuring that Union resources from the agricultural reserve can be made available to the Member States, ***in a fair and transparent manner***, in order to support collective actions by private operators in periods of severe market imbalance, the possibility to use the agricultural reserve should be extended to the support of collective actions when the Commission decides that competition rules do not apply to those actions ***while ensuring its feasibility and avoiding impact on direct payments.***