



Press Release

RETAILERS WELCOME FOOD SUPPLY CHAIN REPORT

28 October 2009

The European Retail Round Table has broadly welcomed the Commission's Communication on a better functioning food supply chain in Europe [COM(2009)591] released today.

Paul Skehan, ERRT Director, said: "Consumers deserve and demand quality food at affordable prices. For retailers, meeting those demands is a daily preoccupation – delivering what the shopper needs and wants comes first, second and third in order of priority. The supply chain exists to satisfy those constantly changing, constantly challenging, demands.

"As such, we welcome the report's focus on sustainability and initiatives that are market-based. The report identifies a number of the major challenges facing the whole supply chain, and we will work with the Commission and other stakeholders to carry out the analyses, share the good practices, and promote price transparency right along the chain.

"The development of a European food price monitoring tool could be a very useful instrument – if it serves to extend the obvious price transparency at retail level back through all other supply chain actors. However, the challenge to the Commission – and national statistics offices – will be to collect all the other price data along the supply chain. While the farm gate prices and the final retailer prices are both clear and obvious, the manufacturer, processor, transport, packaging, refrigeration costs that come between the farm and the retailer are much more difficult to gather and assess. Will the tool adequately assess them, or will it be incomplete, and therefore potentially misleading?

"One quibble: the paper does not adequately address the barriers that Member States themselves erect, which either prevent or deter large retailers from entering their markets, which clearly has a significant impact on prices. The reference to the ambitious implementation of the Services Directive is welcome, but more robust proposals to ensure that Member States regulations that restrict entry of new retailers into the market, and/or that restrict businesses' ability to compete on prices are repealed or withdrawn would have been useful.

"Finally, we appreciate the proposal to broaden the scope, mandate and membership of the Agro-Food High Level Group. A more equal balance of all stakeholders in the supply chain – as well as better consumer representation – will be a very positive move."

For any further information or clarification, please contact Paul Skehan, ERRT +32.475.388415

ERRT: The European Retail Round Table was established to express the views of large retailers on a range of issues of common interest focused on EU public policy. Their businesses operate worldwide and represent a cross-section of the retail sector. Collectively, ERRT members have a turnover of more than €400 billion and employ 2.3 million people in over 40,000 stores. www.ertt.org