

Companies are normally free to structure their relationships as they see fit. This freedom is primarily constrained by competition law, which intervenes only in specific circumstances, such as cases of abuse of dominance. Outside of these well-defined boundaries, the law has traditionally taken a hands-off approach to business-to-business (B2B) dealings.

However, the EU has taken a markedly different stance in the case of farmers and farmer cooperatives. Recognising structural imbalances and persistent inequalities in bargaining power, in 2019 the EU adopted [Directive \(EU\) 2019/633 on unfair trading practices](#) (the “UTP Directive”), with the explicit objective of ensuring a fair standard of living for the agricultural community.

The UTP Directive is being revised, with the Commission currently procuring an impact assessment to support this, and a legislative proposal is expected in Q4 2026.

A Targeted Intervention: Scope and Mechanism

The UTP Directive introduces a regulatory framework that departs from traditional competition law by directly addressing contractual imbalances. It establishes a list of unfair trading practices (UTPs), divided into so-called “black” practices (outright prohibited) and “grey” practices (permitted only if clearly agreed in advance).

The Directive applies where there is a perceived imbalance between supplier and buyer, based on predefined turnover bands.¹ In essence farmers and their cooperatives are given protection where their buyers have a larger turnover than them.

Beyond Farmers: Indirect Protection and the “Cascade Effect”

While the UTP Directive is primarily aimed at protecting farmers and their cooperatives, its effects extend further down the supply chain. Notably, it also offers protection to downstream suppliers with an annual turnover under €350 million.²

This reflects an important economic reality – for example, UTPs³ imposed by buyers or buyer alliances on food manufacturers are unlikely to be absorbed entirely at that level. Instead, such costs can be passed upstream and can ultimately negatively impact farmers. By addressing UTPs at multiple points in the supply chain, the Directive seeks to mitigate these “*cascading effects*”, and preserve the economic viability of the agricultural community.

Early Assessment: Encouraging Signs but Persistent Challenges

In December 2025, the European Commission published its [report](#) on the evaluation of the UTP Directive. While the Directive has only been fully implemented for a relatively short period, the Commission identified encouraging signs for its ability to prevent and combat UTPs.

At the same time, the evaluation highlighted several shortcomings and areas for improvement. Against this backdrop, the Commission subsequently launched a [call for evidence](#) to support an impact assessment for the revision of the Directive.

The call identifies two main areas where revision may be warranted: (i) strengthening enforcement and reducing suppliers’ “fear factor” and (ii) addressing uneven performance and strengthening the economic viability of the agricultural community.

A New Layer of Enforcement: Cross-border Cooperation

Separately, a significant recent development is the adoption of [Regulation \(EU\) 2026/697](#), published on 20 March 2026, which establishes a framework for cooperation among national enforcement authorities responsible for applying the UTP Directive.

The Regulation aims to ensure more effective enforcement by facilitating coordination and information-sharing across Member States. It reflects a broader recognition that unfair trading practices in integrated supply chains often have cross-border dimensions that require coordinated regulatory responses.

¹ It uses annual turnover as a proxy for bargaining power.

² The €350 million cap reflects a policy assumption that UTP effects are most pronounced for suppliers below that threshold.

³ See for example recent Case C-311/24, *Bundeswettbewerbsbehörde*, where a retailer in Austria requested 17 of its suppliers to make a contribution to its purchasing transformation process that was unrelated to the sales of agri-food products from those suppliers to the retailer.

The Broader Debate: What Comes Next?

These developments raise important questions for the future of UTP laws in the EU.

Should protection remain limited to suppliers with turnover below €350 million,⁴ particularly in light of increasing consolidation and the growing influence of large retail alliances? Is the agri-food sector unique in warranting such intervention, or could similar imbalances justify extending UTP rules to other industries where retail alliances and online marketplaces exercise significant bargaining power?

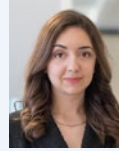
As the balance of power between suppliers and buyers continues to evolve, so too will the regulatory landscape. The interactions between these actors, set against the backdrop of protecting the agricultural community, will be one to closely watch in 2026 and beyond.

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⁴ Some Member States have already lifted this €350 million cap.