

Press release

SCI – Year 3 – keeping momentum and bringing change

24 January 2017

The Supply Chain Initiative (SCI) marked further progress in promoting good trading practices in its third annual report presented at an event today sponsored by MEPs Dita Charanzová and Ivan Štefanec.

The report shows that a large majority of companies are satisfied with how the initiative has helped them in their relationships with others in the supply chain. 71% respondents say that they are either satisfied or very satisfied. The figures for SMEs show a similar result, with two-thirds reporting satisfaction with the initiative. There is real progress also in training: 93% of companies report having trained their staff (up from 87% last year) – some 37,000 (compared to 20,000 in 2015). 86% have told their business partners that they are registered under the SCI and explained the commitments that they have made.

The number of complaints reported remains low: 43 companies report facing an alleged breach of the SCI principles in 2016. 70% of these were resolved informally. 9 companies report having received 44 complaints (49 in 2015 and 39 in 2014), the vast majority of which were resolved internally (52%) or through mediation (44%). 3 companies report receiving complaints from another country.

The report also looks at the reasons why companies are less satisfied with what the initiative delivered: the key reason for disappointment is that their business partners are not registered with the SCI.

Two additional national platforms were established in 2016, in Germany and Portugal, involving farmers, processors and retailers associations.

At the meeting of the High Level Forum for a better functioning food supply chain in December 2016, the SCI presented its proposals for transforming the SCI, and making it stronger and more independent. These include the introduction of an independent chair, who will ensure that rules and procedures are respected; act as a recipient for confidential complaints, issue guidance and recommendations of general interest and promote good practice. The SCI will also focus more on reinforcing the network of national platforms and will strengthen its efforts to raise awareness and reach out to SMEs.

The Governance Group urges policymakers to act in a way which supports continued progress achieved through the SCI, and allows constructive dialogue as a means for improving relationships in the supply chain. They value the participation of all sectors in the SCI and will urge farmers' organisations to demonstrate their support in improving relations in the supply chain and join the SCI.

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Note to the Editors:

The Supply Chain Initiative was launched in September 2013 by a group of 7 EU-level associations representing the food and drink industry (FoodDrinkEurope), the branded goods manufacturers (AIM-European Brands Association), the retail sector (the European Retail Round Table (ERRT), EuroCommerce, Euro Coop and Independent Retail Europe), and agricultural traders (CELCAA).

The SCI aims to implement and enforce a set of good practice principles agreed by 11 EU-level organisations, including Copa-Cogeca. Companies subscribe on a voluntary basis to the principle of good practice and a set of commitments to ensure fair treatment of all partners in the food supply chain. The SCI is designed to ensure that registered companies respect their commitments towards other market operators and benefit from a set of dispute resolutions options.

Today, the SCI involves 380 groups and companies representing over 1,160 national operating companies, that signed up to the Principles of Good Practice and SCI commitments. 69.3% of the companies registered are SMEs.