

## Retail Alliances: Benefiting Consumers and a Balanced Supply Chain

On 13 May 2020, the Joint Research Center (JRC) of the EU Commission **published** a long-awaited report on **retail alliances in the agri-food supply chain**. A culmination of months of thorough research, the report was kicked off by a closed-door Commission workshop in November 2019 dedicated to investigating the nature of retail alliances and, more specifically, their activities and **impact on consumers, suppliers** and, most importantly, **farmers**.

Euro Coop welcomes the **accurate** and **unbiased analysis** undertaken by the authors, who were tasked with a heavy mission, as well as the **appropriate conclusions** reached. It is now clear, confirmed and official that any *“possible impact of retail alliances on farmers is **indirect**, and thus **dependent on the impact on suppliers**. Given that several effects of retail alliances on suppliers are **ambiguous**, so are the **possible impacts onto farmers**.”* All assertions, led by the industry lobby, for additional rules to regulate retail alliances were also calmed, as the report concludes that the existing legal framework is **adequately equipped** and **fit for purpose**.

Todor Ivanov, Secretary-General had this to add, *“Consumer co-operatives welcome the findings and we are very pleased that the EU Commission has remained the **voice of reason** in this complex and long process. Retail alliances and joint buying are vital instruments for our members, the majority of whom are national bodies of local and independent co-operatives. Therefore, **pooling resources** and scaling up is indispensable not only to our **economic viability**, but to **maximizing benefits** for the **consumer-members** and **reinvesting our profits** in the **local communities** we serve. The Co-op private label products, often subject to joint purchasing, are the ultimate instrument to guarantee our consumers, who are our owners, goods with **high quality** and **environmental standards** at reasonable prices.”*

The retail actors on EU-level, despite their differences, were united since the beginning on making clear the numerous **advantages** of retail alliances, most importantly of which are securing **better prices** and **greater variety for consumers** (as a result of economies of scale and more adequate bargaining power when negotiating with multinational suppliers several times their size), overcoming **unjust territorial supply constraints** which fragment the EU Single Market to the detriment of the consumer, and benefiting suppliers with access to international markets.

Ivanov added: *“Concerning farmers, consumer co-operatives enjoy wonderful partnerships with local producers. Our relations are **long-term** and based on **trust** and **mutual support**. True, we have our differences, but when it matters most, our members show loyalty, whether it is guaranteeing higher milk prices or facilitating access for local produce sold in our stores. After all, being co-operative means basing your actions not on profit, but on principles and values.”*

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*Euro Coop unites 19 national organisations of consumer co-operatives in Europe, representing 30 million consumer-members, 7.000 local co-operatives, 700.000 employees and operating 94.000 points of sale. Consumer co-operatives are enterprises with a distinct model of ownership and governance, which, since 1844, have been operating according to the co-operative principles such as voluntary and open membership (Principle 1) and democratic member control (Principle 2) based on the rule of 1 member-1 vote. Being owned and managed by their members, consumer co-operatives have an inherent responsibility far-reaching past the cash register, such as care for the community (Principle 7) and all its social, economic and environmental facets.*