



An Roinn Talmhaíochta,  
Bia agus Mara  
Department of Agriculture,  
Food and the Marine

# Main findings of surveys undertaken for Unfair Trading Practices Enforcement Authority

Presented at Breakfast Seminar: Ensuring Fair Trading in the Agri-Food Supply Chain

5<sup>th</sup> May 2022





# Research Background

- The Unfair Trading Practices (UTP) Regulations were signed into Irish law on 28th April 2021 and give effect to the provisions of the EU Directive on unfair trading practices in business-to-business relationships in the agricultural and food supply chain.
- Under these Regulations, weaker suppliers are protected from unfair trading practices of stronger buyers and provides that complaints can be made within certain categories according to the annual turnover of a supplier compared to a buyer.
- The primary research objective can therefore be described as follows:



*“To measure awareness of the UTP Regulations and to inform the Enforcement Authority as to the UTP-related issues of most concern to Agri food suppliers.”*





## Primary Producer Survey



# Research Methodology – Primary Producers Online Survey

- The Enforcement Authority were responsible for distributing the link to the online survey.
- 3,213 primary producers completed the survey.
- The margin of error on a sample of this size is +/- 1.8% at the 95% confidence level.



Online Survey Primary Producers

10-12 Minute Survey

Fieldwork took place between 28<sup>th</sup> February and 15<sup>th</sup> March.

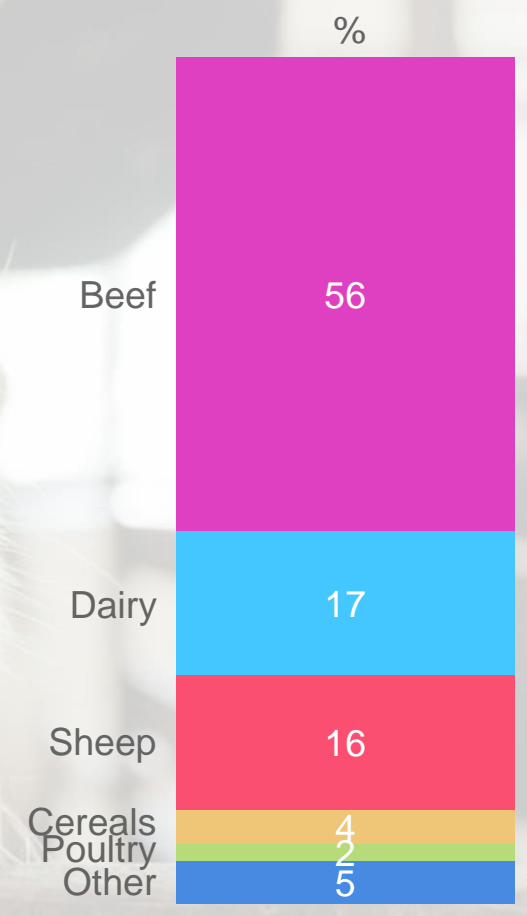
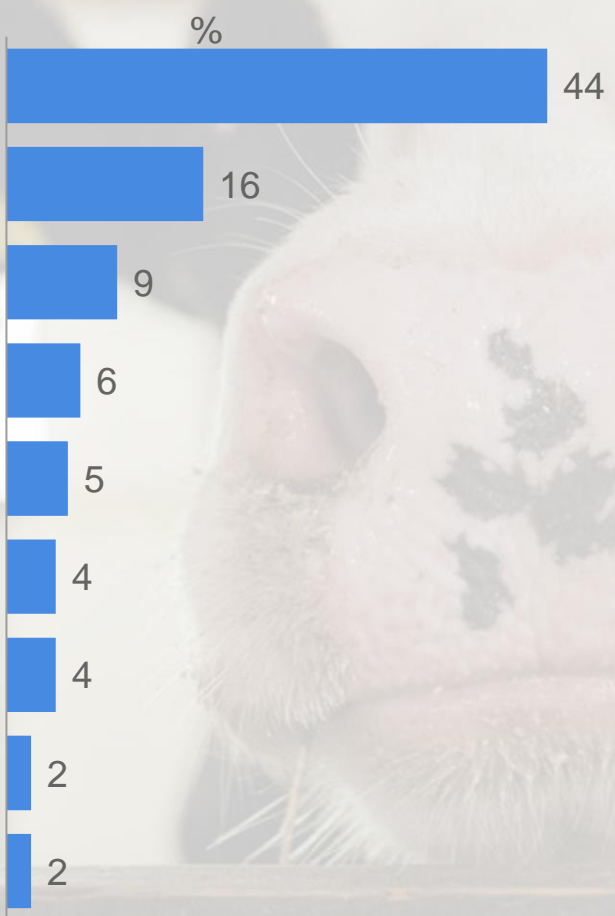
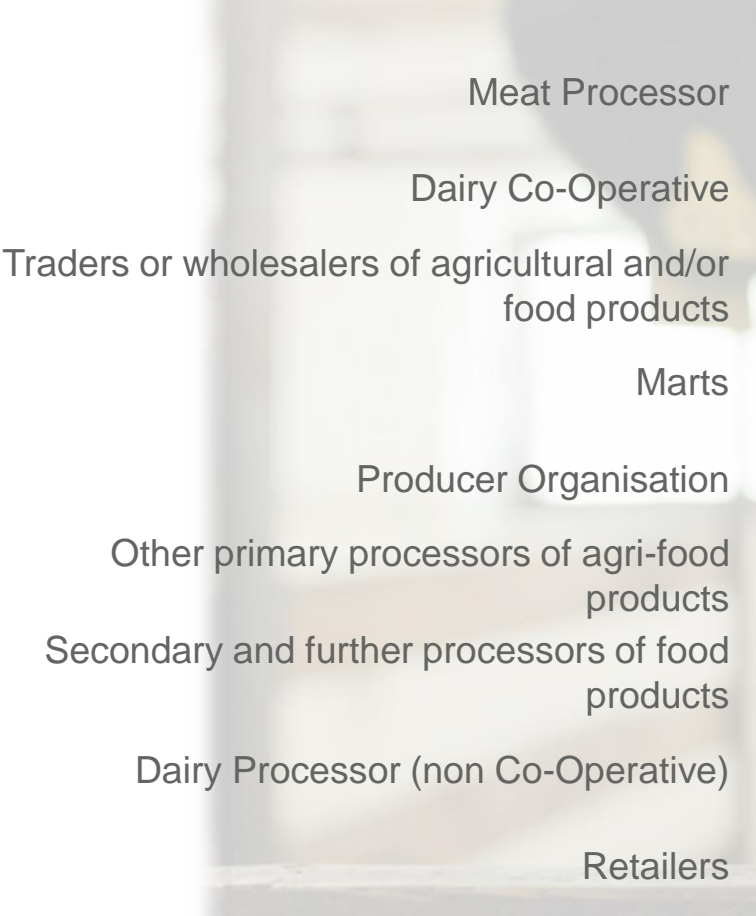


# Profile of Primary Producers

Base: Primary Producers – 3,213

**Main Buyers of Agricultural Products**

**Main Sector**



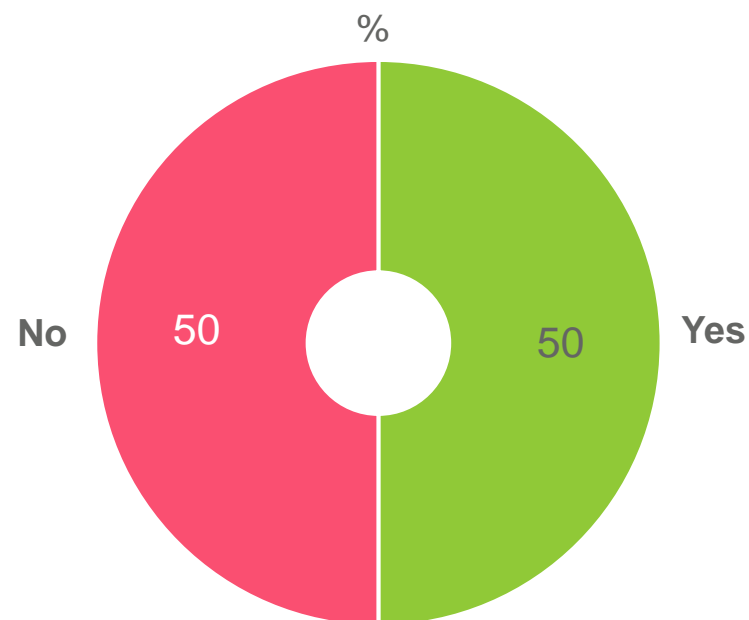
Over half of all survey respondents were Beef farmers, followed by 17% in Dairy and 16% in Sheep. Main buyers of their produce were meat processors, dairy co-ops and Traders or Wholesalers of Agriculture and/or food products.

# Awareness & Understanding of the Unfair Trading Practices Regulations

Base: Primary Producers – 3,213



## Heard of the UTP Regulations



They protect against unfair trading practices

They protect farmers, farmer organisations, fishers and other weaker suppliers of agricultural and food products against stronger buyers

Just heard the name

Established an enforcement authority

I don't know anything about them

Other

## Understanding of UTP Regulations

Base: 1,596  
%



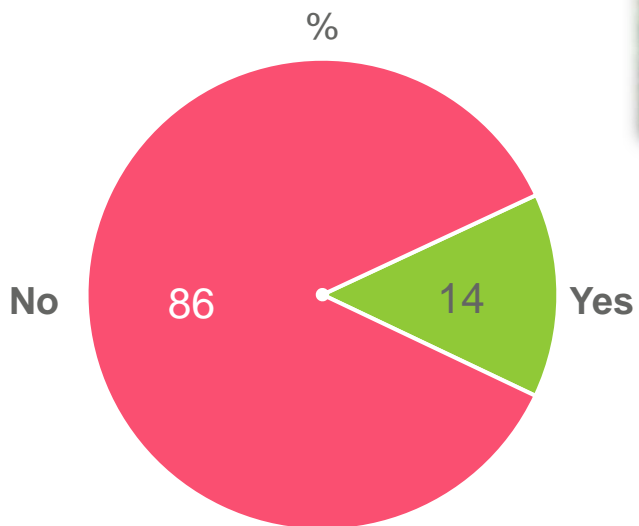
1 in 2 claim to have heard of the UTP Regulations. Half claim that they understand the Regulations protect against unfair trading practices.



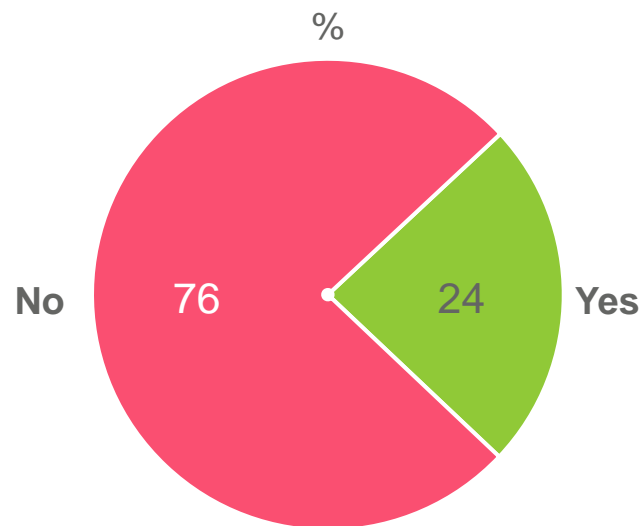
# Understanding of the Unfair Trading Practices Regulations

Base: Primary Producers – 3,213

Q. Are you aware that, as a supplier of agri-food products, you have legal protection against 16 specific unfair trading practices?



Q. The Unfair Trading Practices Regulations protect farmers, farmers organisations, fishers and other weaker supplies of agricultural and food products against stronger buyers. Have you heard this before?



Only 14% of respondents were aware that, as a supplier of agri-food product, they have legal protection against 16 specific unfair trading practices. When informed of protection for weaker suppliers, awareness rose to 1 in 4.

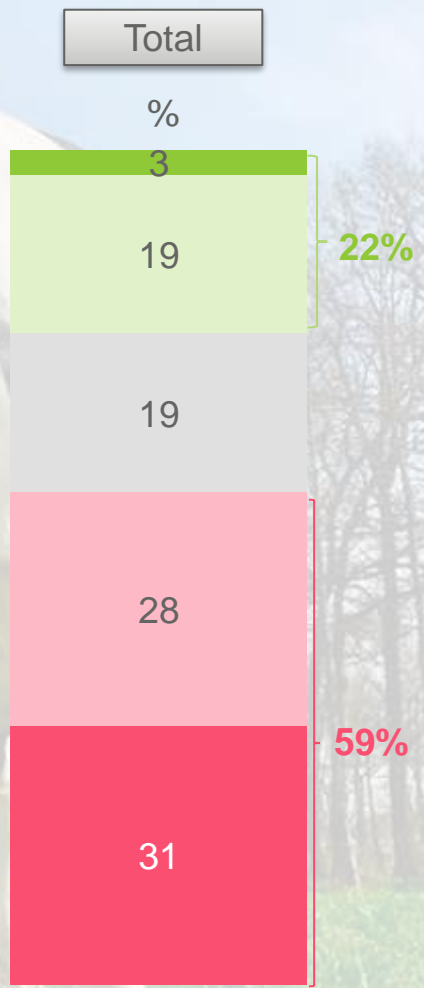


# Confidence in the protection offered by the Regulations

Base: Primary Producers – 3,213

Q. A supplier with an annual turnover of less than €2 million is protected against a buyer with a turnover exceeding €2 million.

How confident are you that the Unfair Trading Practices regulations offer you protection from unfair trading practices engaged in by stronger buyers?



1 in 5 primary producers claimed to be confident in the protection offered by the Regulations. However, 6 in 10 were not confident.

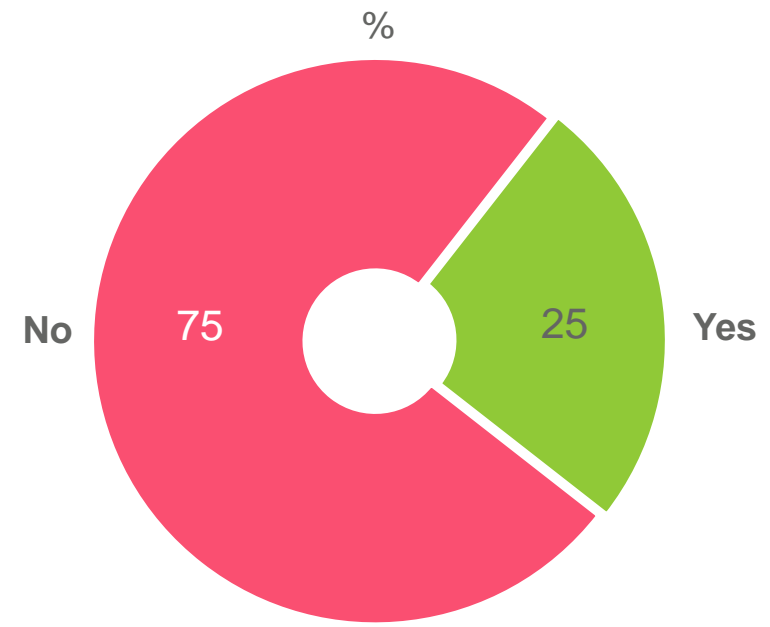




# Subject to an Unfair Trading Practice in the past 2 years

Base: Primary Producers – 3,213

Whether subject to an Unfair Trading Practice



1 in 4 primary producers said they have been subjected to an unfair trading practice.



# Subjected to Black UTP in the past 2 years

Base: Primary Producers – 3,213

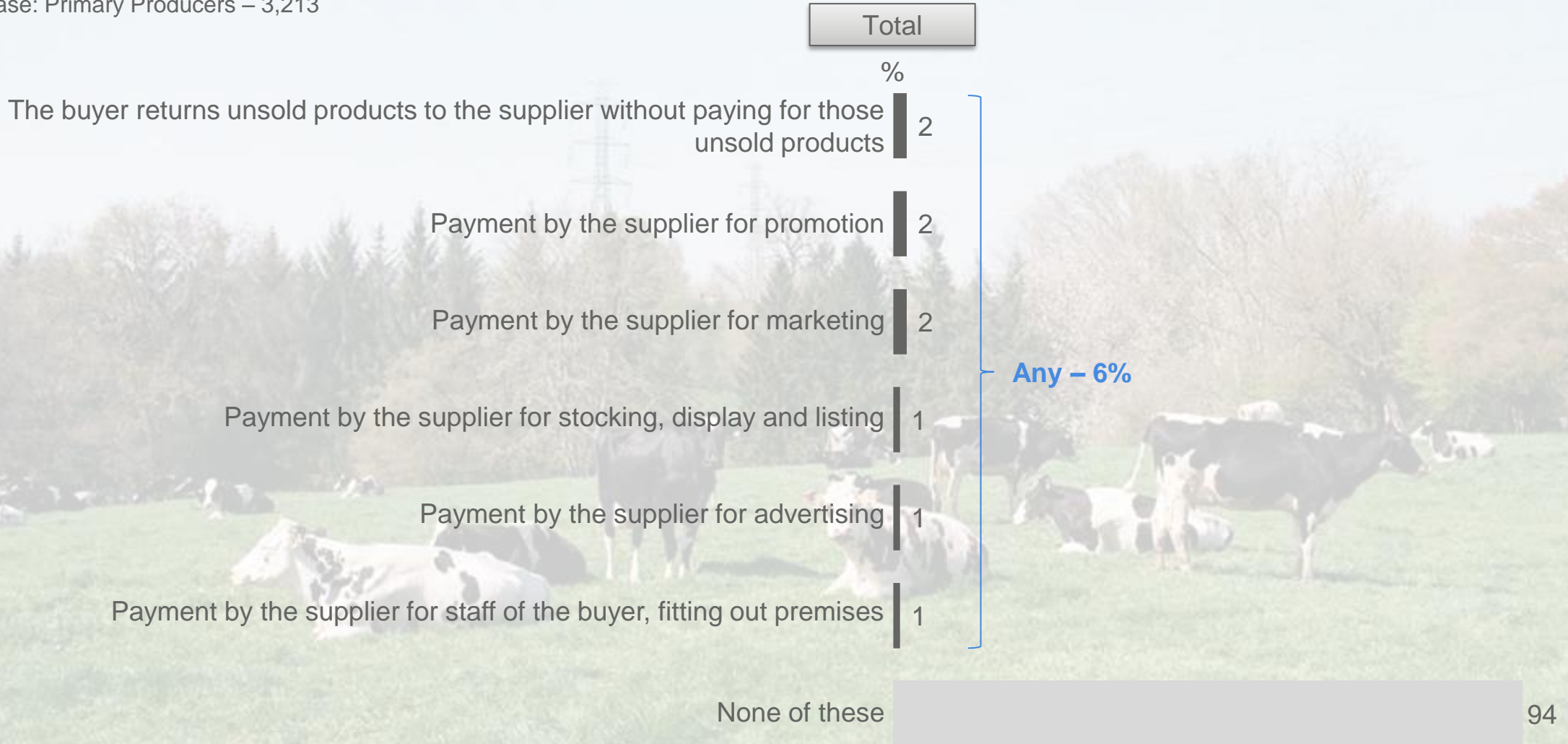


Only 1 in 4 claim to have been subjected to one of the Black UTPs in the past 2 years.



# Subjected to Grey UTP in the past 2 years

Base: Primary Producers – 3,213



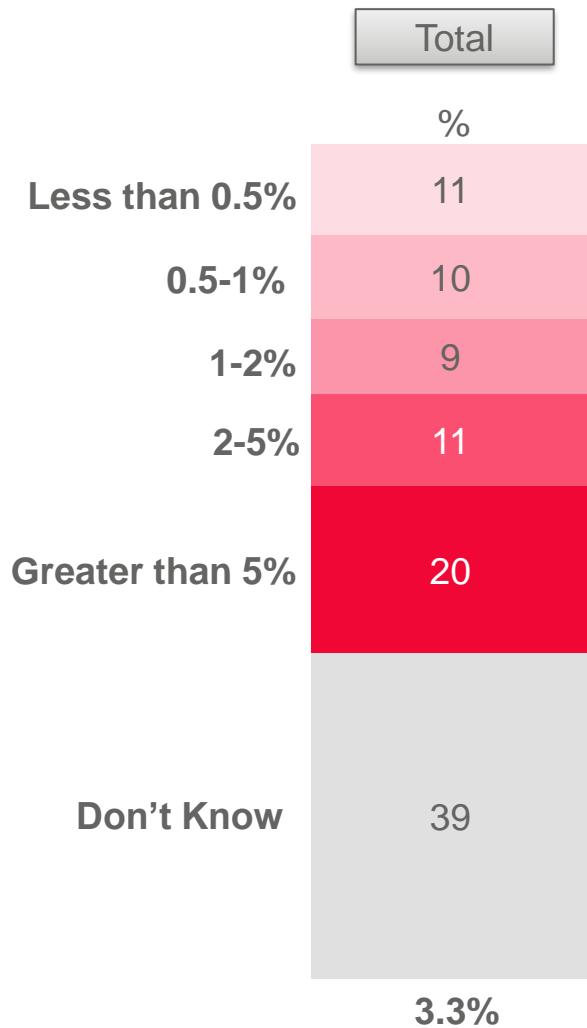
6% of primary producers were subjected to a grey UTP.

# Estimated Cost to Business arising from Unfair Trading Practices

Base: Primary Producers Subject to Unfair Trading Practices - 793



**% of Annual Sales**



% Costs	
Beef	3.5
Dairy	3.1
Sheep	2.5
Cereals, Poultry, Other	3.7

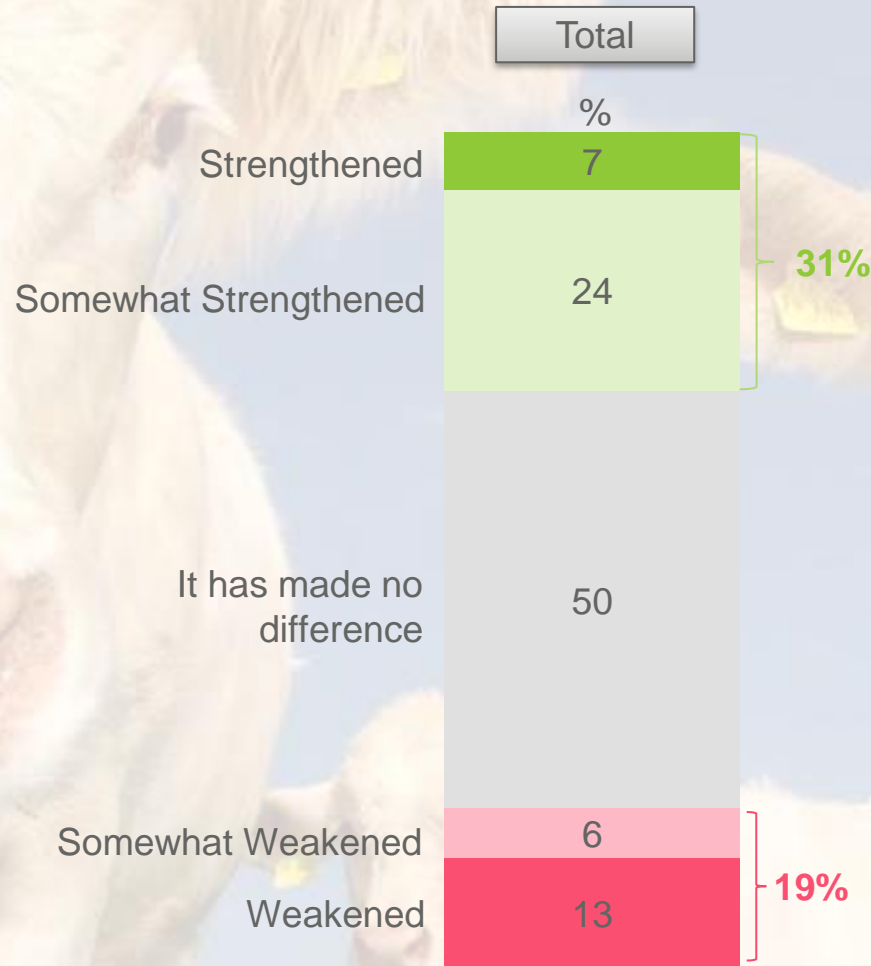
Of those subjected to a UTP, 4 in 10 unsure of the estimated cost to business with an average of 3.3%.



# Position of Weaker Suppliers Against Stronger Buyers

Base: Primary Producers – 3,213

Q. In your opinion, have the prohibited practices in the Unfair Trading Practices regulations weakened or strengthened the position of weaker suppliers against stronger buyers in the food supply chain?



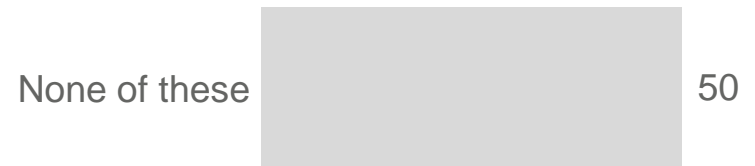
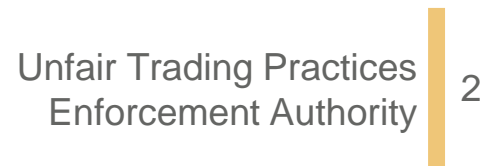
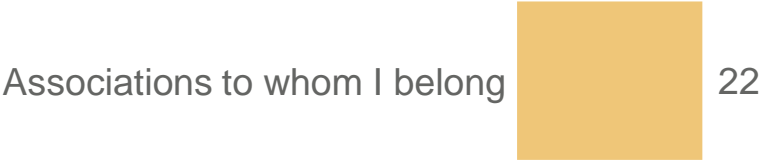
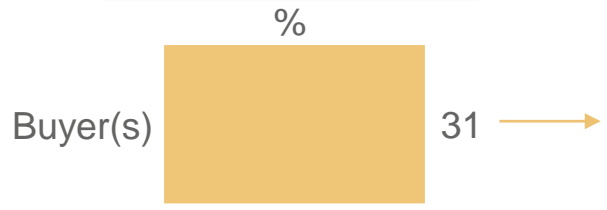
1 in 3 believe the UTP Regulations has strengthened the position of weaker suppliers. 1 in 2 claim it would make no difference with 19% claiming it will weaken their position.



# Raise Issue with any Operators/Bodies

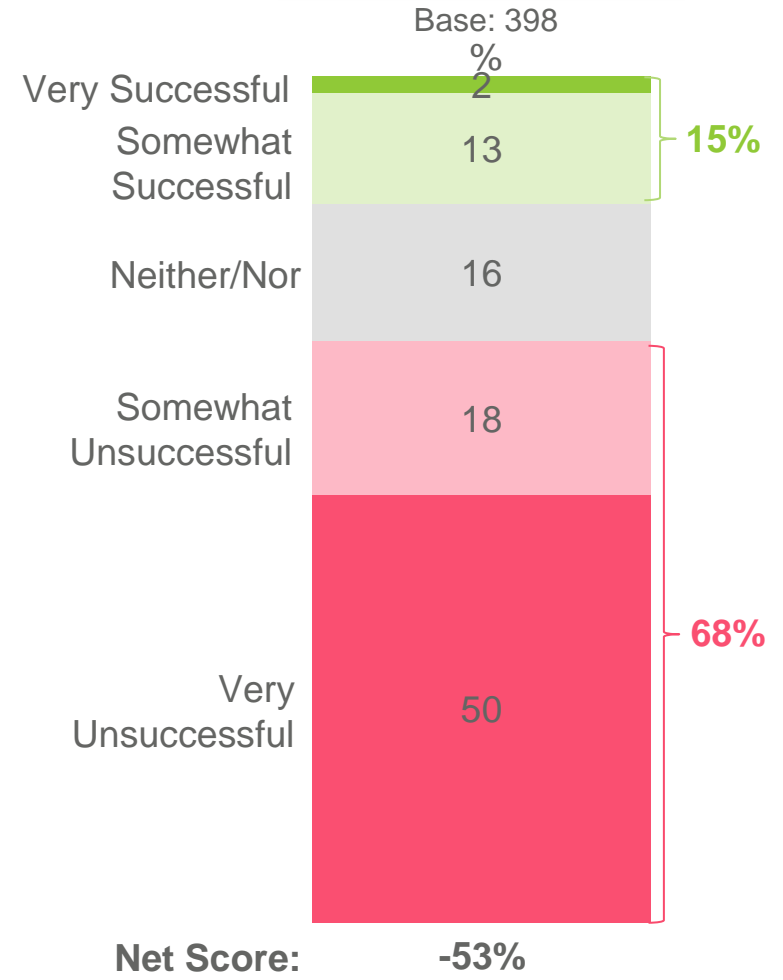
Base: Primary Producers Subject to UTP (Black or Grey) - 793

Operators/Bodies



Any - 55%

Rating Success of Raising the Issue

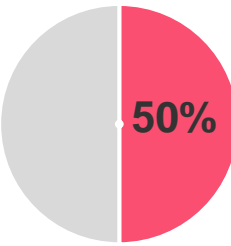


3 in 10 raised the issue with the buyer while 1 in 5 contacted member associations. Only 15% found the experience of raising the issue successful.



# Reason for Not Raising the Issue with Anyone

Base: Primary Producers who did not raise their issue with any Operators/Bodies - 388



The main reasons cited not for raising the issue is it is common practice in the sector and fear of retaliation from the buyer. 1 in 4 unsure who the right authority is while 1 in 5 unsure the authority could do anything.

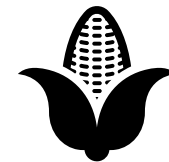


---

# Downstream Business Supplier Survey



# Research Methodology – Downstream Business Supplier Survey



- A database of relevant Agri food/Amenity/ Horticulture suppliers was acquired using the Bill Moss database. This was supplemented with leads from other relevant websites with business contacts.
- A representative sample of suppliers that operate downstream of primary producers in the agricultural and food products supply chain were surveyed.
- 202 Agri Food Suppliers were interviewed by telephone.



**CATI Telephone  
Survey Amongst 202  
Agri Food Suppliers**

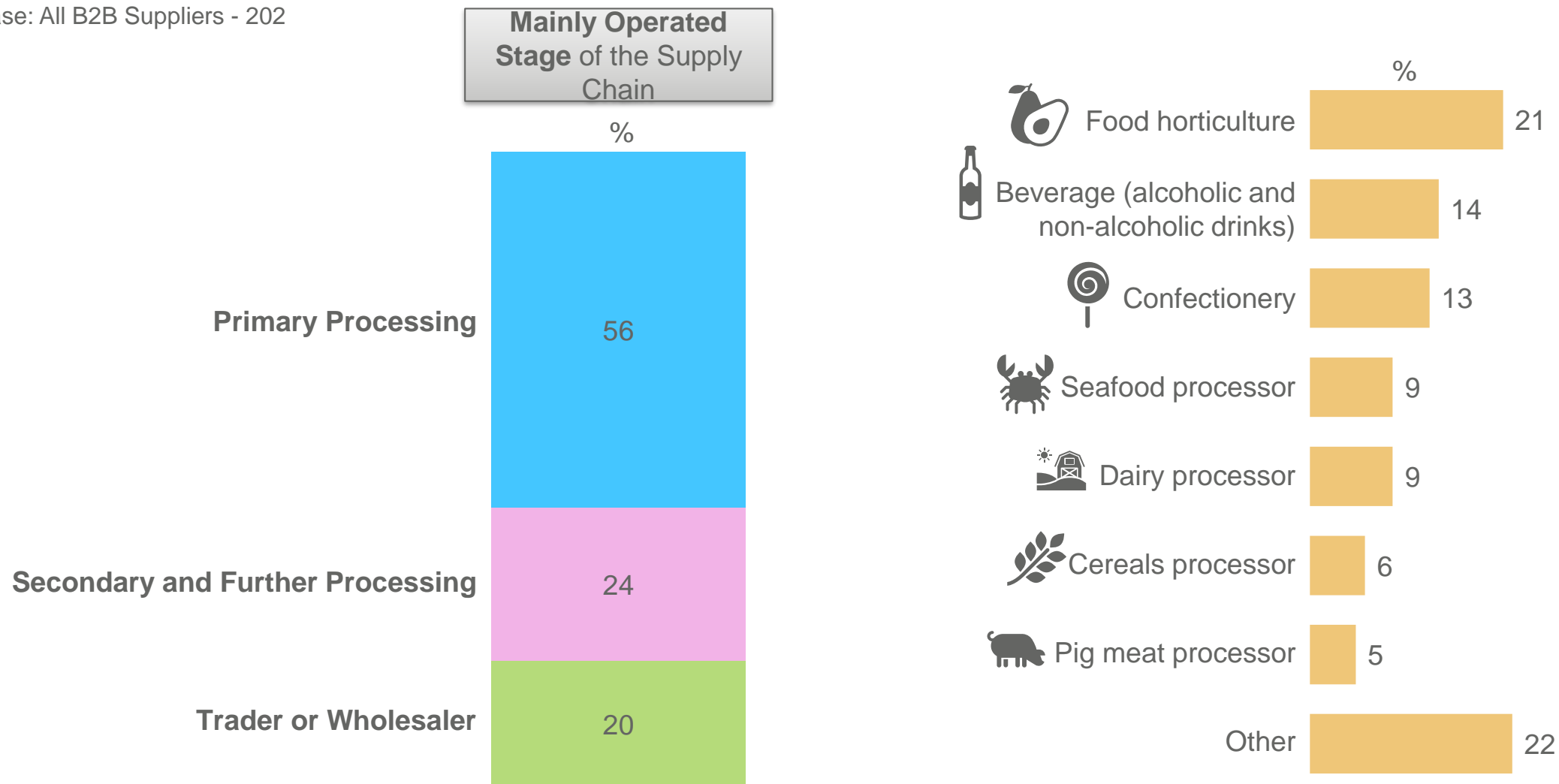
**10-12 Minute  
Survey**

Fieldwork took place between 28<sup>th</sup> February and 7<sup>th</sup> March 2022.



# Profile of Business-to-Business Suppliers

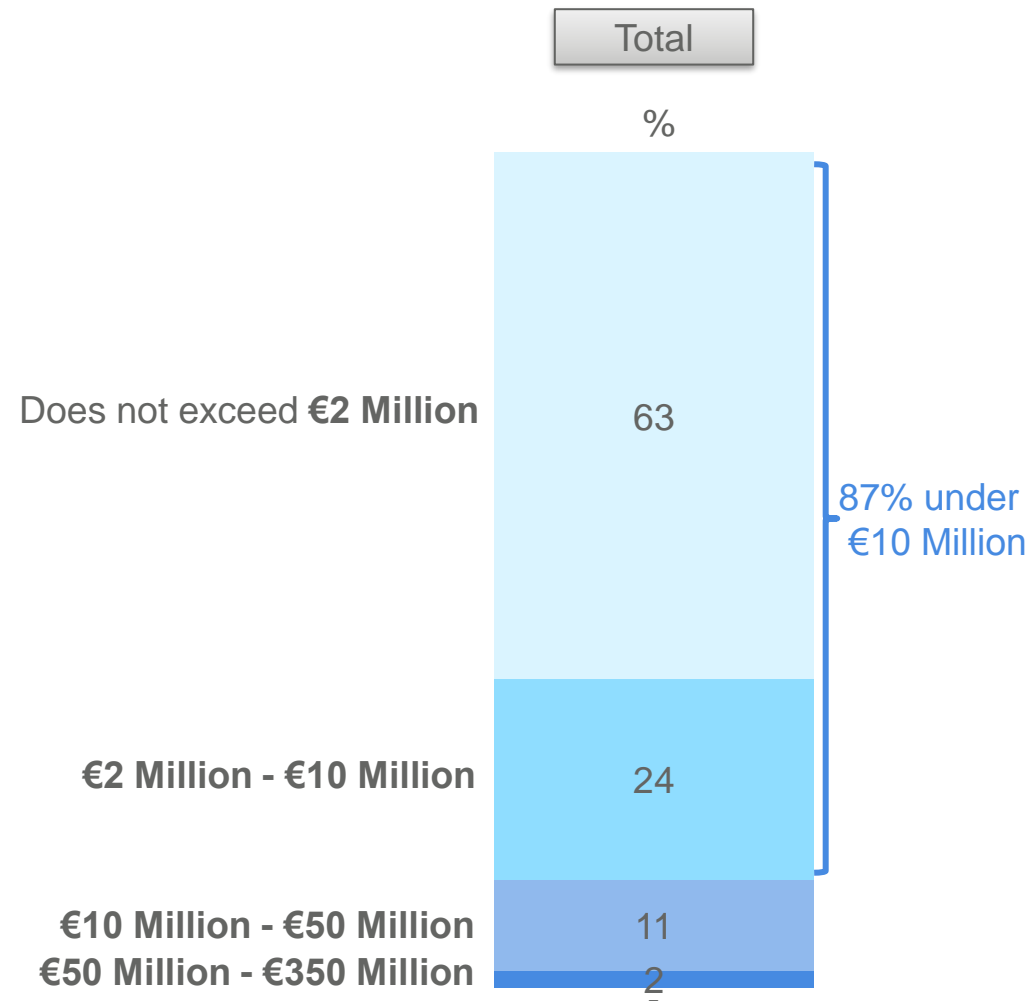
Base: All B2B Suppliers - 202



56% of businesses mainly operate at the primary stage of the supply chain, 24% operate at the secondary and further processing stage while 20% operate at the Trader or Wholesaler stage.  
1 in 5 businesses mainly operate in the Food Horticulture sector.

# Business' Most Recent Annual Sales in the Most Recent Financial Year

Base: All B2B Suppliers - 202



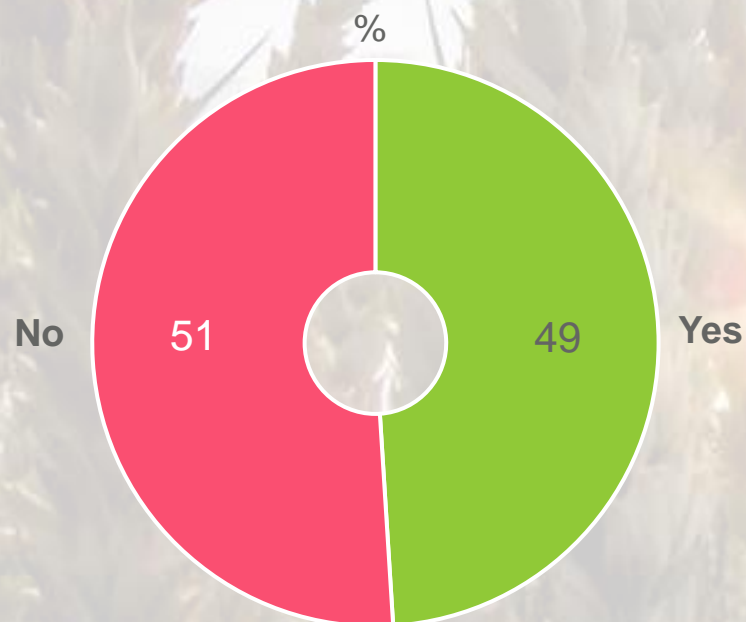
Overall, 63% of those surveyed had annual sales not exceeding €2 Million.  
 Nearly 9 in 10 of all Business Suppliers' annual sales was under €10 Million.

# Awareness & Understanding of the Unfair Trading Practices Regulations

Base: All B2B Suppliers - 202



## Heard of the UTP Regulations



## Understanding of UTP Regulations

Base: 98 %



1 in 2 have heard of the Unfair Trading Practices Regulations.

Of those aware, 44% had just heard the name while 43% were aware they protect against unfair trading practices.

Over 1 in 10 understood they protect farmers, farmer organisations, fishers and other weaker suppliers of agricultural and food products against stronger buyers.



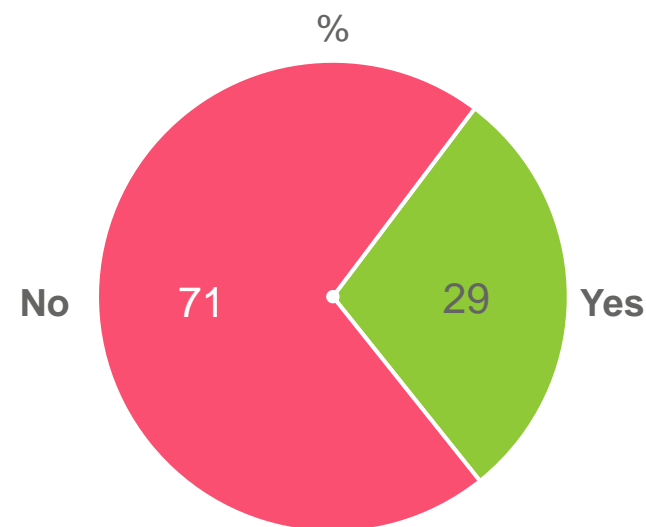
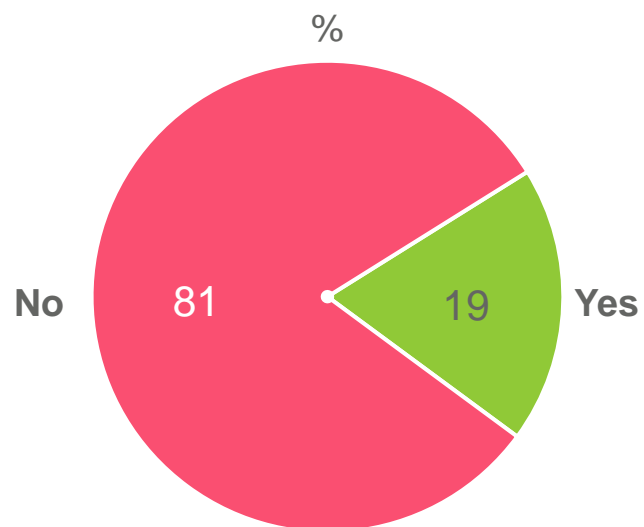
# Understanding of the Unfair Trading Practices Regulations

Base: All B2B Suppliers - 202

Q. Are you aware that, as a supplier of agri-food products, you have legal protection against 16 specific unfair trading practices?



Q. The Unfair Trading Practices Regulations protect farmers, farmers organisations, fishers and other weaker supplies of agricultural and food products against stronger buyers. Have you heard this before?

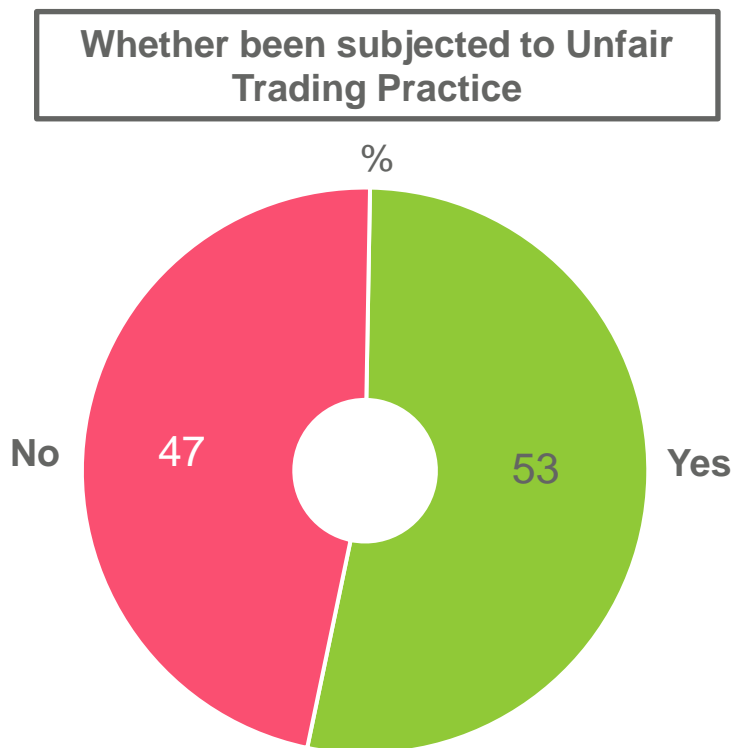


1 in 5 were aware as a supplier they have legal protection against 16 specific unfair trading practices. 3 in 10 were aware the regulations protect farmers, farmer organisations, fishers and other weaker supplies of agricultural and food products against stronger buyers.



# Subject to an Unfair Trading Practice in the past 2 years

Base: All B2B Suppliers - 202



53% have been subjected to unfair trading practice by a buyer of their products in the past 2 years.



# Subjected to Black Unfair Trading Practices in the past 2 years

Base: All B2B Suppliers - 202

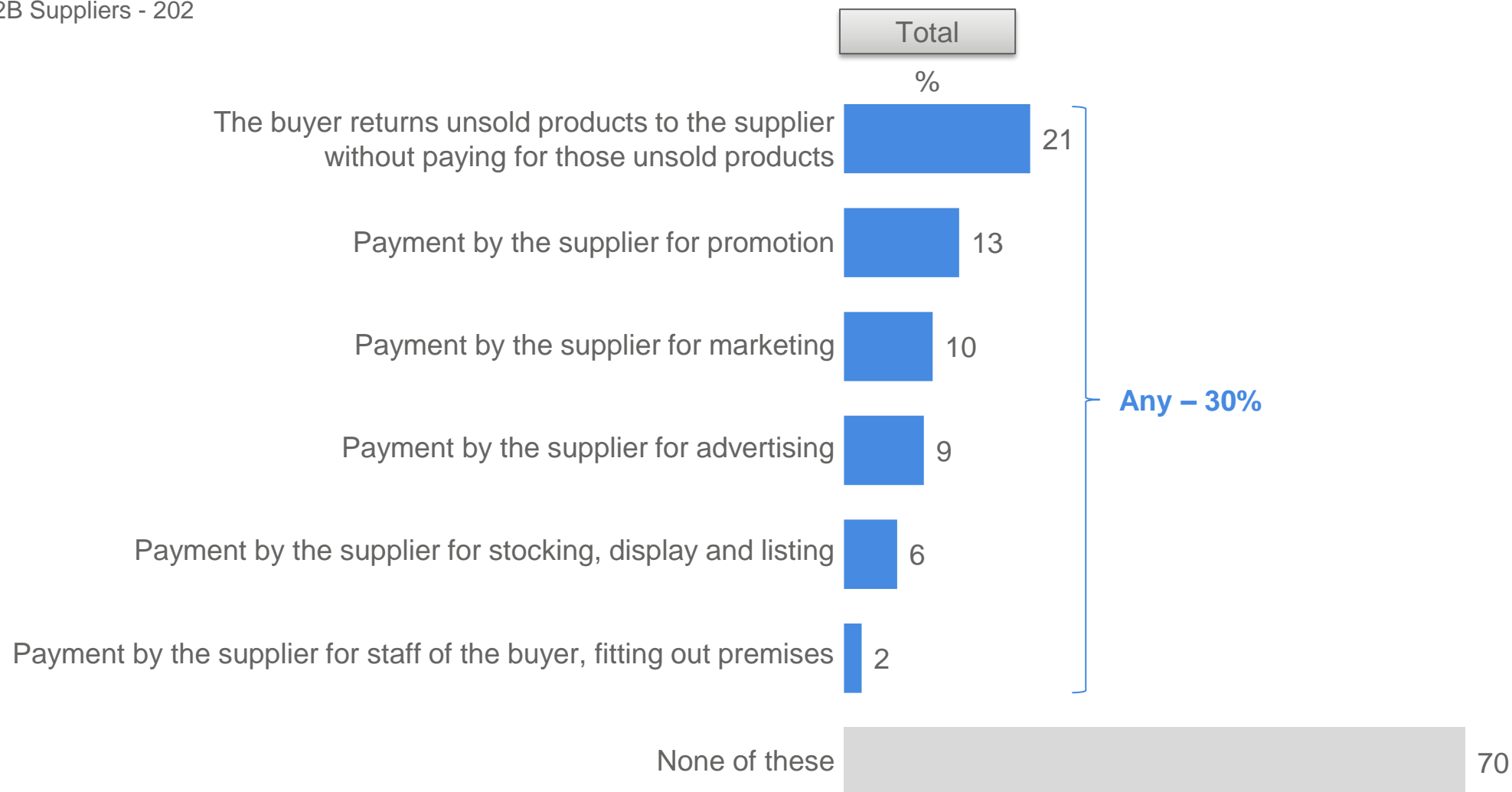


When prompted with a list of Black Unfair Trading Practices, half of businesses have been subjected to at least one in the past 2 years. The highest being payment later than 30 days (32%), payment later than 60 days (27%) and short-notice cancellations of perishable agricultural and food products (18%).



# Subjected to Grey Unfair Trading Practices in the past 2 years

Base: All B2B Suppliers - 202



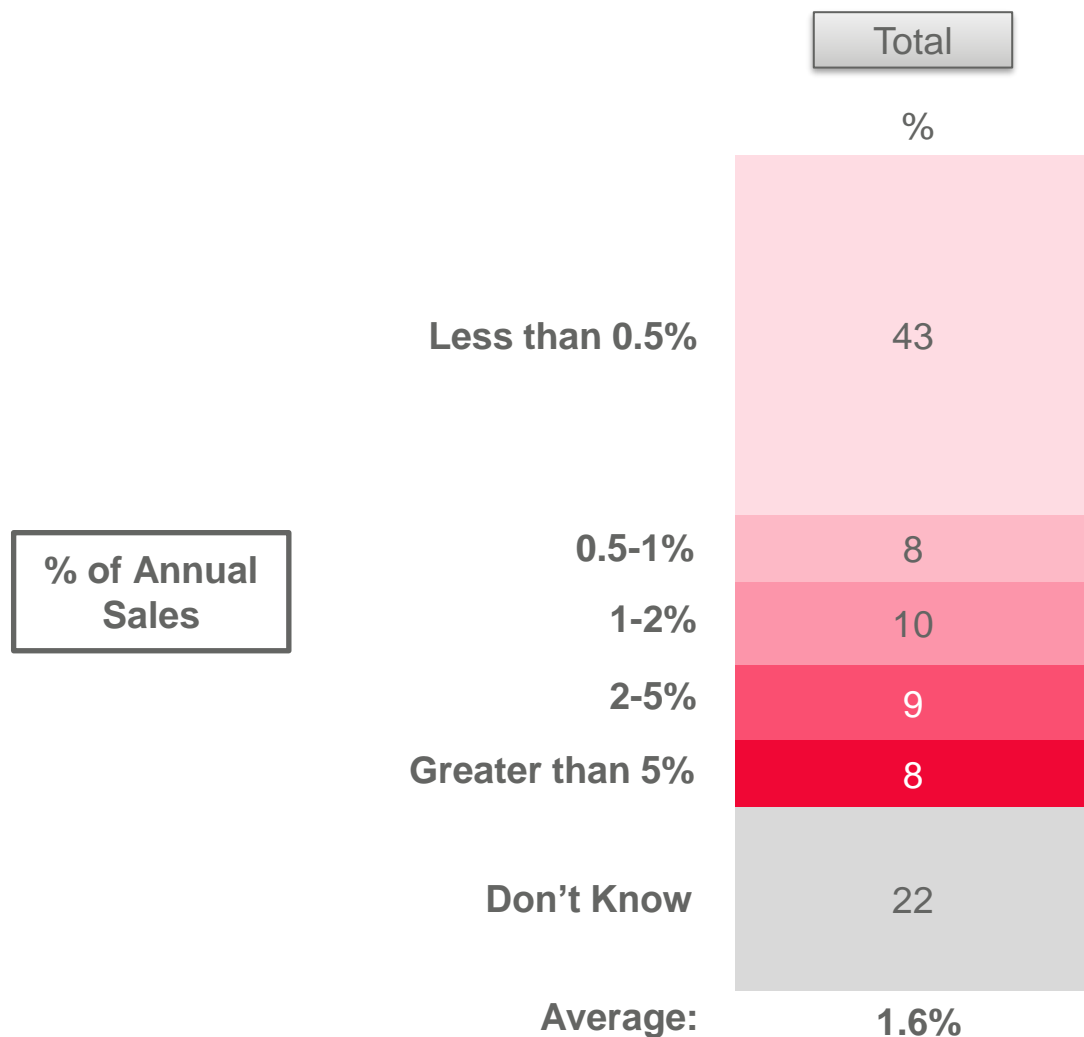
When prompted with a list of Grey Unfair Trading Practices, 3 in 10 businesses have been subjected to at least one in the past 2 years. 2 in 10 experienced the buyer returning unsold products without paying for those unsold products. Circa 1 in 10 were subjected to payment for promotion/marketing/advertising.



# Estimated Cost to Business Arising From Unfair Trading Practices



Base: All B2B Suppliers Subject to the 16  
Unfair Trading Practices - 108



Average estimated percentage of annual sales cost because of unfair trading practices was 1.6%. 43% believe the cost was less than 0.5% of annual sales, 18% between 0.5% - 2% while 17% believe it to be over 2%.



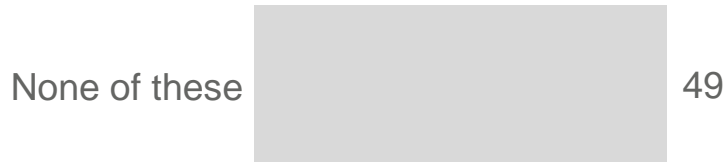
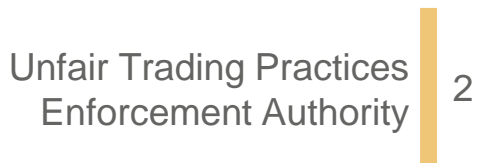
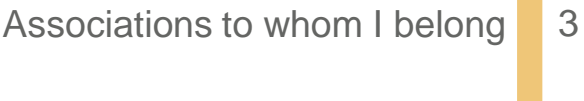
# Raise Issue with any Operators/Bodies

Base: All B2B Suppliers Subject to Unfair Trading Practices (Black or Grey) - 108



**Operators/Bodies**

%

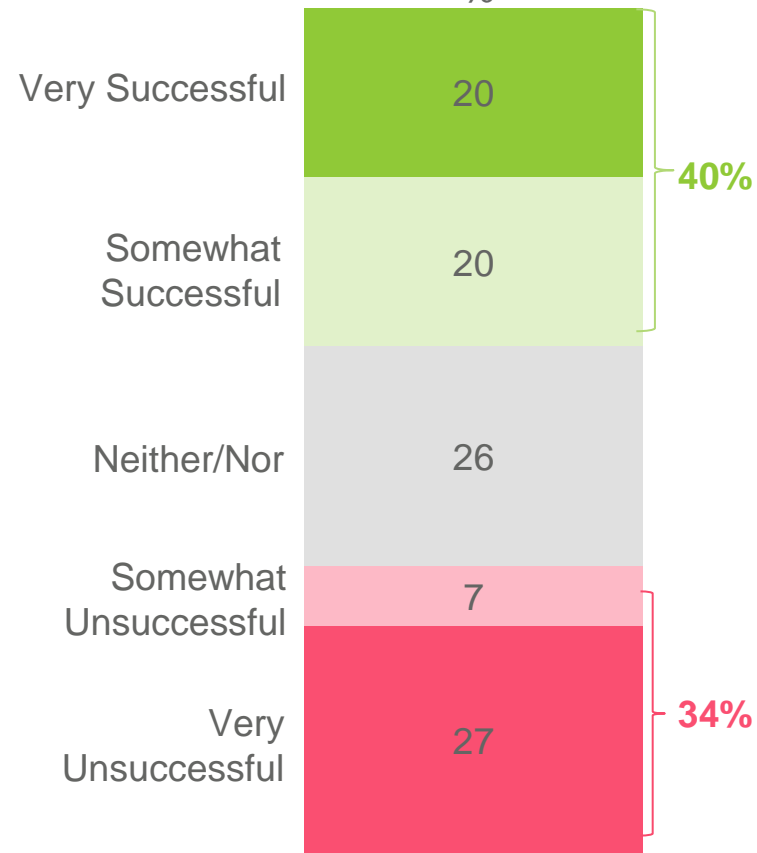


Any - 51%



**Rating Success of Raising the Issue**

Base: 55 %



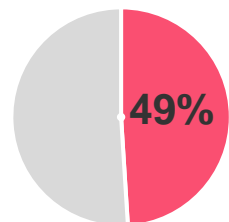
**Net Score: +6%**

Almost half raised the issue with the buyer while half didn't raise the issue with anyone. Amongst those who raised the issue, 4 in 10 were successful while 1 in 3 were not.



# Reason for Not Raising the Issue with Anyone

Base: All B2B Suppliers who did not raise their issue with any Operators/Bodies - 53



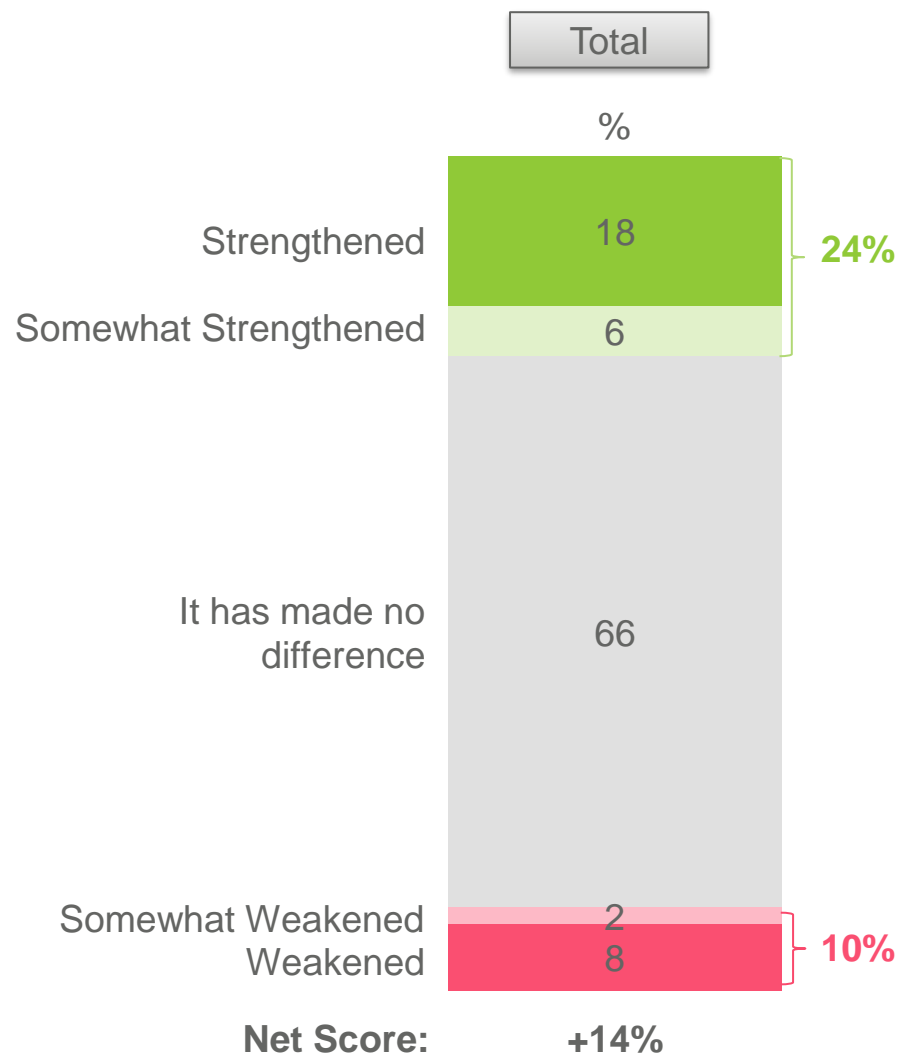
The top reasons for not raising the issue with anyone was fear of some form of retaliation from the buyer (26%), that its is common practice in the sector (26%) and didn't think the competent authority would be able to do anything (13%).



# Position of Weaker Suppliers Against Stronger Buyers

Base: All B2B Suppliers - 202

Q. In your opinion, have the prohibited practices in the Unfair Trading Practices regulations weakened or strengthened the position of weaker suppliers against stronger buyers in the food supply chain?



1 in 4 believe the Unfair Trading Practices regulations strengthened the position of weaker suppliers against stronger buyers – highest amongst Secondary or Trader/Wholesalers and those who are aware of Unfair Trading Practices Regulations.

# Key Insights Summary



An Roinn Talmhaíochta,  
Bia agus Mara  
Department of Agriculture,  
Food and the Marine

- 1. 1 in 2 of primary producers and business to business (B2B) suppliers surveyed claim to have heard of the UTP Regulations.**
  - Half of primary producers surveyed claim that they understand the UTP Regulations protect against unfair trading practices.
  - 44% of B2B suppliers surveyed had just heard the name.
- 2. Only 14% of primary producers surveyed were aware that, as a supplier of agri-food product, they have legal protection against 16 specific unfair trading practices. 1 in 5 B2B suppliers surveyed were aware.**
- 3. 1 in 4 primary producers surveyed & over half of B2B suppliers surveyed claim to have been subjected to an unfair trading practice.**
- 4. When prompted, 1 in 4 primary producers & half of B2B suppliers surveyed claim to have been subjected to a Black UTP in the past two years.**
- 5. 6% of primary producers surveyed were subjected to a Grey UTP versus 3 in 10 B2B suppliers surveyed.**
- 6. About half of primary producers and B2B suppliers surveyed that were subjected to a Black or Grey UTP raised the issue with the buyer. Main reason for not raising the issue is fear of retaliation from the buyer & that the practices would be considered common practice.**