Fair revenues for farmers: a better functioning food supply chain in Europe

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The Council noted that the draft Council conclusions on how to improve the functioning of the food supply chain had been finalised as presidency conclusions with the support of a large majority of delegations. The conclusions reflect the outcome of the exchange of views held at the Council on 18 January 2010 on the Commission's communication "A better functioning food supply chain in Europe", a follow-up to the December 2008 report on food prices in Europe. The food supply chain connects three important sectors of the European economy: agriculture, the food processing industry and the distribution sectors. Its performance has direct consequences for citizens since food represents 16% of European households' expenditure and is increasingly important on the path towards recovery from the current economic crisis.

In the second half of 2007, agricultural commodity price increases accelerated and had reached exceptional levels by early 2008. The European Council of June 2008 asked the Commission to report back on these issues by December 2008. In response, the Commission proposed better to monitor developments in agricultural commodity and food prices, to analyse the impact of speculation on agricultural commodity prices and to investigate the functioning of the food supply chain.