

Strengthening of the position of farmers in the food supply chain

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Regulation (EU) 2026/1739 strengthens farmers' position in the food supply chain by amending the common organisation of agricultural markets, the common agricultural policy (CAP) Strategic Plans framework and CAP financing rules. It introduces rules on contractual relations, producer organisations, voluntary marketing terms, support schemes and the use of certain meat designations. It was adopted under the ordinary legislative procedure, following the European Parliament's position of 16 June 2026 and the Council's decision of 29 June 2026.

Fair and short supply chain terms

The Regulation sets Union conditions for using the optional terms “fair”, “equitable” and equivalent terms in labelling, presentation, advertising and commercial documents for agricultural products. Their use must inform buyers about commercial arrangements that ensure stable and transparent relations between farmers and purchasers, a price considered equitable and remunerative by participating farmers, and collective initiatives contributing to one or more United Nations Sustainable Development Goals.

The term “short supply chain” may be used where consumers can readily identify the participating farms producing the raw materials and where there is either a direct farmer-consumer connection, with one intermediary where appropriate, or a close geographically based connection with a limited number of intermediaries.

Member States may maintain or introduce additional national conditions but may not obstruct the use of these terms for products lawfully produced or marketed in another Member State. The Commission may adopt delegated acts to add equivalent terms and further specify the conditions for their use.

Written contracts and price formation

Written contracts become mandatory for deliveries of milk and milk products, and for other agricultural products except sugar, by farmers, farmers' associations, producer organisations or associations of producer organisations to processors, collectors, distributors or retailers.

Contracts or written offers must be concluded before delivery, including electronically, and cover in particular the price, quantities and quality, delivery schedule, duration, payment arrangements, collection or delivery arrangements and force majeure. Prices may be fixed or calculated using objective, accessible and understandable indicators, indices or methods that reflect market developments, relevant production costs, quantities and quality.

Contracts exceeding six months in the dairy sector or 12 months in other agricultural sectors must include a revision clause that farmers or their organisations may trigger. Member States must ensure access to voluntary and impartial mediation or comparable mechanisms for disputes relating to the conclusion or revision of contracts.

Exemptions apply, in particular, to deliveries by members to their producer organisation or cooperative where transparent, democratically decided rules govern price-setting and payments, and to free deliveries or disposal of products no longer fit for sale. Member States may also provide exemptions, including for micro or small first purchasers, deliveries below a national ceiling of no more than EUR 10 000, certain

immediate-payment transactions, seasonal or perishable products, and traditional sales practices. Farmers and their organisations retain the right to request a written contract or offer where an exemption applies.

For sugar beet, written delivery contracts must specify the quantity before delivery. Contracts longer than 12 months must include a revision clause, and price calculations must use objective factors reflecting market and production-cost developments. Member States may require sugar undertakings to register contracts.

Producer organisations and market cooperation

The Regulation facilitates recognition of producer organisations in more than one sector through a single application, provided that the applicable conditions are met for each sector. Producer organisations must be constituted and democratically controlled by farmers producing agricultural products of the soil or stockfarming. Their activities may include promoting short supply chains and the optional “fair” and “equitable” terms.

Producer organisations awaiting recognition may, under specified conditions and time limits, plan production, optimise costs, market products and negotiate supply contracts for their members. Recognised associations of producer organisations may also negotiate contracts, including prices, where their members meet the relevant requirements and the products concerned do not exceed 36% of national production.

The ceiling for collective negotiations by recognised dairy producer organisations is raised to 7% of total Union raw-milk production and 36% of national production and deliveries in each Member State concerned. The rules also clarify multiple membership, democratic governance and direct contacts between members and purchasers, provided that these do not undermine collective marketing.

During severe market imbalances, the Commission may exempt specified collective actions from Union competition rules, including market withdrawal, free distribution, storage, joint promotion, quality agreements, joint purchases of certain inputs and temporary production planning. Union support from the agricultural reserve may be made available to Member States to finance these actions.

Meat designations and CAP support

The Regulation defines “meat” as edible animal parts and reserves “meat” and a list of related terms, including beef, pork, chicken, steak, bacon and liver, for meat products or products identified by the relevant animal species. These terms may not designate foods consisting of, isolated from or produced from animal, plant, microorganism, fungi or algae cell or tissue cultures. The Commission may authorise limited derogations for non-meat products whose nature is clear from long-established use and does not mislead consumers.

It also increases financial incentives for recognised producer organisations. Union financial assistance may reach 70% for investments by young or new farmers joining a producer organisation for the first time, and for operational programmes affected by specified climatic events, natural disasters, plant diseases or pest infestations where losses exceed at least 30% of average production. Member States with a fruit and vegetable producer-organisation rate below 10% for three consecutive years may benefit from an additional 10% of Union financial assistance. Member States may use up to 6% of their direct-payment allocations for interventions in other agricultural sectors.

Entry into force and application

The Regulation enters into force on 18 August 2026 and is directly applicable in all Member States.

Rules on optional commercial terms, written contracts, producer-organisation statutes and sugar-beet contracts apply from 19 August 2028. The meat definitions and reserved designations apply from 19 August 2029. Non-compliant products produced or imported before that date may remain on the market until stocks are exhausted or until 19 August 2032, whichever is earlier.

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