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NOTE

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Subject:	AOB item for the meeting of the "Agriculture and Fisheries" Council on 22-23 June 2026: Regulation amending the common market organisation (CMO) Regulation as regards the strengthening of the position of farmers in the food supply chain: state of play - Information from the Presidency

BACKGROUND

On 10 December 2024, the European Commission submitted a targeted amendment to the legal framework established by the Regulation on the Common Organisation of Agricultural Markets (CMO), the CAP Strategic Plan Regulation (CAP SPR) and the Horizontal Regulation (HZR). On 19 May 2025, under the Polish Presidency of the Council, the Special Committee on Agriculture approved the Council mandate for negotiations with the European Parliament, which in turn adopted its own negotiating mandate on 8 October 2025. The Parliament's mandate included a number of amendments extending beyond the scope of the original proposal, principally concerning the protection of meat-related denominations and the mandatory use of contracts in milk and other sectors.

Building on the work carried out under the Danish Presidency, which included several interinstitutional technical meetings and three trilogue meetings, the Cyprus Presidency continued the examination of the remaining issues with a view to advancing the file towards conclusion. For this purpose, the Cyprus Presidency held four inter-institutional technical meetings with the European Parliament and the European Commission, with a view to identifying potential areas of convergence on the outstanding issues, principally the mandatory contract obligation in the milk and other sectors, and the protection of meat denominations.

AGREEMENT

The fourth trilogue on the file, held on 5 March 2026 and the first under the Cyprus Presidency, allowed the Council and the European Parliament to reach an agreement on all remaining issues. This final trilogue resulted in a balanced compromise that preserves the core objectives of the original proposal.

The agreement resolved the remaining contingent issues left open from the previous stage of negotiations on the proposal, which formed part of the package presented by the Commission and aimed, together with the regulation on cross-border action to combat Unfair Trading Practices, to strengthen farmers' position in the food supply chain. This agreement enabled the file to be concluded in a timely manner, avoiding significant delays and ensuring that farmers could benefit from the measures envisaged.

The amendments aimed at strengthening the position of farmers within the agri-food supply chain, improving fairness in value distribution, and enhancing market transparency and resilience. On 23 March 2026, the Council mandated the Cyprus Presidency to transmit the offer letter to confirm the political agreement to the European Parliament. The Council will adopt the legislation on 29 June 2026.

MAIN ELEMENTS

The main elements of the agreement are as follows:

• **Strengthened contractual relations** between farmers and buyers through a general obligation for written contracts, with clearer provisions on price, quantity, duration and payment conditions; reinforced rules for long-term contracts; contract review clauses in cases of significant market or cost changes; and mandatory mediation mechanisms for dispute resolution. The agreement reached improves farmers' position in the value chain through written contracts, thereby limiting sudden price changes and unfair trading practices. At the same time, targeted flexibility allows well-functioning trading practices to continue, in particular for Producer Organisations and cooperatives, while avoiding unnecessary additional administrative burden.

• **Reinforced role of Producer Organisations** through simplified recognition procedures, enhanced bargaining power, and greater flexibility in collective organisation and marketing, together with increased financial support under CAP sectoral interventions, including provisions for crisis-management actions and support for young or new farmers.

• **Adjusted collective bargaining arrangements in the dairy sector**, enabling Producer Organisations to negotiate larger shares of production while maintaining appropriate safeguards for fair competition.

• **Clearer rules on voluntary marketing terms** such as "fair", "equitable" and "short supply chains", ensuring that such designations genuinely reflect trading conditions and supply chain structures.

• **Established rules on the protection of meat terms and meat-related names**, with a view to improving transparency, protecting product integrity, and supporting informed consumer choices. Products not containing meat, including plant-based substitutes and novel foods are not allowed to use names referring to meat. Flexibility was introduced for certain products whose names have been used for a long time and do not create consumer confusion. In order to ensure a smooth adaptation for operators, the compromise provided for a three-year period before the new rules start to apply, and an additional three-year period for the marketing of stocks lawfully produced before the date of application. The compromise strengthens the identity, and added value of products of animal origin, supports informed consumer choice, confidence in the market, and may contribute to the competitiveness and income stability of the livestock sector.

• **Origin labelling for agricultural products** is maintained, while ensuring that the rules remain proportionate and do not create additional administrative burden for operators.

• **Expanded scope for sustainability cooperation**, encompassing environmental and social objectives such as climate action, biodiversity protection, generational renewal, support for small farms, and improved working conditions, while ensuring full compatibility with competition rules.

• **Enhanced CAP financial support**, including higher support rates for young farmers and Producer Organisations, increased assistance in cases of market disruption or natural disasters, and additional flexibility for Member States in supporting less developed sectors.

• **Transitional arrangements** to ensure smooth implementation by operators throughout the supply chain.

Overall, the agreement constitutes a balanced compromise that strengthens farmers' bargaining position, improves contractual fairness, supports collective action, and enhances transparency and trust within the agri-food supply chain, contributing to a more resilient and sustainable agricultural sector across the European Union.