

**Norway. Commission to inquire into the power relations in the food supply chain -  
*in order to facilitate transparency and monitoring, secure consumer interests and adequate society control***

On Friday the 18th of February 2010 the Norwegian Government appointed a Commission to inquire into the power relations in the food supply chain in Norway. According to the Commission mandate, the main goal is to describe effects of recent and possible future development in the food supply chain. The Commission shall take as an over-all point of departure the efficient use of resources. And it shall propose to initiate action that may contribute to consumer interests with regard to price, product quality, choice and availability as well as facilitate transparency and monitoring along the supply chain, securing adequate society control and efficient use of its resources.

The Commission shall review and report on:

- Trend developments regarding prices and product range offered by Norwegian retailers, including international comparison
- Organized influence possible by consumers at different levels of the food supply chain
- Supply side changes, concentrating on innovation and new products and emergence of new and SME suppliers, including international comparison
- Demand oriented flexibility, innovation and change
- Supply chain structure, including vertical integration between functions of wholesaling, distribution, manufacturing and primary production, farming and other activities, including international comparison
- Competition at different levels of the food supply chain, including market shares in supermarkets, horeca and convenience sectors, if possible also on regional and local levels
- Power relations in the supply chain, especially between retailers and suppliers/manufacturers, including:
  - Negotiation systems between retailers and suppliers/manufacturers including extent and orientation of fees, rebates and other forms of supplier commitments ( i.a. joint marketing)
  - Extent and development of retailer private labels, the pricing thereof and effects on power relations between retailers and suppliers/manufacturers.
  - The incidence of coordinated behaviour on the buying side
  - Suppliers with dominating position and development recent ten years
  - Whether or not adequate transparency and ease of monitoring exist throughout the supply chain, i.e. with regard to ascertaining price transmission in rebate systems and adequate society control

- Distribution of risk between different levels of the supply chain, especially with regard to innovation and new products.
- Other issues the commission deem important

On the basis of its research and analysis the Commission shall consider:

- Whether, in an over-all perspective, the system contributes to efficient use of resources
- Whether, in an over-all perspective, the system works in favour of consumer interests with regard to price, product quality, choice and availability
- The extent of transparency and ease of monitoring with respect to prices, rebates and other conditions, and whether the system in an over-all perspective gives a basis for adequate society control as a point of departure for competition and efficient use of resources
- Whether the power relations in the food supply chain, during the last ten years, has undergone such a change that a comprehensive competition approach focusing on buying power is needed.
- Whether any such change in the supply chain has had negative effects, if so on competitiveness, innovation, other political goals, i.e. for agriculture and Norwegian food industry
- Relevant proposals, adopted or under discussion, in other countries and to what extent similar proposals should be followed up in Norway.

The Commission shall make such relevant proposals that it, in view of its own research and analysis, deem adequate and necessary to further the purpose of this enquiry.

The Commission shall consider administrative and economic consequences of action proposed.

The Commission shall present the result of the inquiry in the form of a report by 1<sup>st</sup> November 2010. Academic or professional reports of which the Commission avails itself shall be presented as separate annexes.

The Commission's secretariat will be established at the respective Ministries of Children, Equality and Social Inclusion, of Government Administration, Reform and Church Affairs and of Agriculture and Food, and it will draw on external professional competence when necessary.