President of UOKiK obliged OSM Koło to change practices

* **President of UOKiK Tomasz Chróstny obliged OSM in Koło to change practices unfavourable to milk suppliers.**
* **Challenged actions included unilateral price list changes, failure to verify milk testing and sanctions for termination of cooperation.**
* **The cooperative will present farmers with a proposal to amend existing contracts.**

**[Warsaw, 17 July 2024] -** The milk market is monitored by us on an ongoing basis for unfair use of contractual advantages of milk processors against farmers. In the decision issued, we found possible irregularities in OSM Koło’s long-term contracts. I obliged the cooperative to change its practices - says President of UOKiK Tomasz Chróstny.

The first of the challenged actions concerned the cooperative’s granting itself the unilateral ability to change the price list for delivered milk. The cooperative was free to set the price, without having to get approval from the supplier. At the same time, the farmer did not have the opportunity to react to unfavourable price changes for him, he still had to perform the contract throughout its term.

Suppliers also had no way to independently verify the cooperative’s testing of delivered milk. Meanwhile, the price the farmer received depended on the quality of the milk, among other factors.

The President of UOKiK also had doubts about the need to return part of the so-called loyalty bonus previously paid out by suppliers who changed customers and no longer supplied milk to OSM Koło, e.g. by terminating the contract. A clause in the contract worded in this way may have been a sanction for terminating cooperation, as well as a disincentive for milk suppliers to seek another customer.

**Commitment**

Following the proceedings, the President of UOKiK obliged the District Dairy Cooperative in Koło to change the questioned practices. Suppliers who do not agree to the price list change will be able to terminate the contract with notice. Until the end of the contract, the existing price will apply.

A provision obliging suppliers to return the premium if they change their milk purchaser will also be removed from the template contract.

In addition, farmers who disagree with the cooperative’s milk quality tests will be able to verify the tests at an accredited laboratory other than the one designated by or owned by OSM Koło. This will allow a supplier who disagrees with the cooperative’s quality assessment to have its concerns verified by an independent entity.

The District Dairy Cooperative in Koło will be required to file information on the implementation of the decision. Details of the commitment can be found in the operative part of the decision.

These are not the only actions the President of UOKiK currently conducted on the dairy market. Investigations are underway against District Dairy Cooperatives in Radomsko, Głubczyce, Garwolin, and Jarocin. In addition, in 2023, the President of the Office issued a decision regarding the [Mlekpol Dairy Cooperative.](https://archiwum.uokik.gov.pl/news.php?news_id=19694)

Entrepreneur, farmer, if you operate in the agricultural and food industry and your major counterparty abuses its competitive advantage by imposing unfavourable conditions of cooperation – **report it to UOKiK.** We have launched a special **form** to help you report any irregularities. Click here to fill it out: <https://ankieta.uokik.gov.pl/formularz-zgloszenie-przewaga/>.