

B O O K R E V I E W S

**Ioannis Lianos, Alexey Ivanov, Dennis Davis (ed.),
Global Food Value Chains and Competition Law,
Cambridge University Press 2022, 642 p.**

The book *Global Food Value Chains and Competition Law* introduces its readers to the issue of the food economy in a very compelling way. The publication shows the intricacies of food production from the economic perspective that is complemented by a regulatory overview. It is uncommon to encounter a study of a complex matter that is both articulated with such clarity, and remains easily comprehensible for general readers.

Edited by Ioannis Lianos, Alexey Ivanov, Dennis Davis, with contributions by academics as well as authors from regulatory agencies and consumer organizations, the book presents a timely analysis of the agri-food sector. The publication is divided into 21 chapters, each devoted to different agriculture policy challenges. The editors divided the book into six parts. The first begins by introducing its readers to the power dynamics in global value chains, the influence of financial actors at the origin of food chains, and the rise of technological tools and their utilization in agriculture (chapters 2–5). The book then moves on to competition law issues that occur within the framework of food supply chains, with emphasis on the consolidation of the food chains (chapters 6–11) and the analysis of the imbalances in power in the sector (chapters 12–16). The book proceeds to discuss the food industry in the broader context of human rights and international standard settings (chapters 17–18). The subsequent part focuses on how innovation is driven by intellectual property law, which, however, at the same time contributes to the rise of market giants (chapters 19–20). The book finishes with a case study on the grain market illustrating the need to reinvent trading mechanisms (chapter 21).

The book provides a detailed insight into the inner workings of the various food chains. It distinguishes food value chains from supply chains, specifying the characteristics of both. The resulting picture is that of a highly concentrated downstream market, with continued vertical integration in agri-food chains, followed by the disappearance of small-scale farming and traditional practices, with retail being the segment of food supply chains that represents the biggest value. The transformation of value chains lead to a situation where some markets comprise of only a few actors, for instance, the global seed or fertilizer trade upstream market. Examples of downstream markets with a high concentration ratio can be found in

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food retail markets¹. The authors argue that vertically integrated companies wield more economic power over more specialized producers and, in turn, may subject entire value chains to their interests. There is no denying that statement and its repercussions. The problem of power asymmetry has gathered much attention from regulators in recent years. In response to the shift in the food system, many countries subjected food related mergers and other relevant market activities to closer scrutiny under competition law. States decided to strengthen public enforcement to prevent abuses and to restore balance in food supply chains, in addition to employing other legal measures beyond the competition law toolkit².

Apart from analyzing the interplay between competition law and food value chains, the authors present a spectrum of diverse perspectives stemming from various legal disciplines. In doing so, they break down the complexity surrounding agriculture policy and make it clear and easily understandable. In essence, the book enables readers to trace food production “from farm to fork”.

Other topics well-presented in the book focus on technological developments in the agri-food sector, that is, digitization and process automation with the use of big data, sensors, IoT, smartphone usage and cloud computing. Right now, we are observing the next step of the technological revolution in the sector, namely the emergence of so-called *smart farming* or of *e-agriculture* based on the analytics of data collected from the crop fields. However, as it is often stressed, we live in an information economy. It is therefore no wonder that agriculture closely follows overall trends, despite the fact that most of the society associates this sector with more traditional techniques. In this regard, the authors point to the role of farmers in agricultural production, aided by cutting edge high-tech. The harsh truth is that with their diminishing contribution, the role of farmers is continually being reduced to a labor force. On that note, the authors argue whether consumer welfare goals, or an efficiency focused approach, should give way to other public interest aims, such as fair distribution of surplus along the value chain.

The application of big data technology also gave rise to “precision agriculture”, which is about supporting the decision-making processes of farmers, that is applied by large farms, rather than small ones, due to high costs of installation and maintenance. This development seems consistent with the pattern seen in various other sectors, such as healthcare, where personalized medicine strives to deliver tailor-made interventions for individuals and also, the much-debated, recently developed concept of personalized law.

The implementation of new technologies is mostly aimed at improving the efficiency and yield of crops. This is similar to conventional agriculture, which encourages the use of means that lead to high returns, while decreasing operational costs. The reader is faced with the grim reality that food chains are operating with underlying goals of

¹ E.g., Scandinavian or Baltic countries where only few largest retailers have majority of market shares.

² Other measures like ban of unfair trading practices (UTPs) in EU, regulation on superior bargaining power or unfair competition law.

profit maximization and risk reduction, rather than, what is most socially or ethically desirable, biodiversity, the production of healthy and nutritious food, or preserving the land and the ecosystem. That is where the State comes into play by adopting agriculture policies that recognize and give precedence to goals other than economic. Tragic historical events, such as the Arab Spring, taught policy-makers to prioritize food safety and agricultural reforms. Governments have a vital interest in the proper functioning of the agricultural sector. Therefore, there is direct State involvement in this sector in the form of financial support and competition law exemptions, among others. The book provides apt descriptions of selected jurisdictions in this regard, covering some of the biggest raw material producers in the world: Brazil, China, India, Russia, and USA. At the same time, it highlights the different strategies adopted by food producers in those countries and their varying farm models. It would have been beneficial if more data was provided on the lower levels of food value chains in Australia, but this omission is not significant and does not diminish the overall quality of the book's reasoning.

The reviewed publication also discusses the change in consumption habits influenced by evolving consumer preferences, which directly affect the supply, and in turn the demand side of the food industry – the “what and how” of food production. Accordingly, the rising popularity of organic food and fair trade is noted, as some of the consumer trends reflected in new agriculture policies. The EU is the leader in the push towards a “green revolution”, with most stringent regulatory demands in this context, focusing its strategy on sustainable agriculture³. Other countries set similar goals: on one hand, introducing bans on hazardous pesticides in order to improve food safety; on the other, encouraging the use of innovative fertilizers to fight environmental degradation. This implies that companies must come up with new products to meet newly imposed public policy requirements⁴. Having said that, the authors warn, and rightly point out, that a strictly technocratic approach to addressing these problems might fail, without gaining societal acceptance of such innovation first.

The value of this book lies also in its references to the economic and specialistic literature on the agri-food sector, which is supported by extensive data on, for example, yields, the volume of raw material produced, or market shares. It substantiates the findings, builds credibility, and helps readers to see the “big picture” of the industry. The choice of issues covered in this publication is not always clear when it comes to why some markets were not included. It is understandable, though, that attempting to cover each and every relevant product or geographical market would be overwhelming and fruitless, the size of the book already being impressive as it spans several hundred

³ See goals of the European Green Deal, https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en; and Strategic Foresight Report 23 – ‘Sustainability and wellbeing at the heart of Europe’s Open Strategic Autonomy’, https://commission.europa.eu/document/f8f67d33-194c-4c89-a4a6-795980a1dabd_en.

⁴ For example, one of the goals of the Green Deal established by the European Commission in proposal for a regulation of the European Parliament and of the Council on the sustainable use of plant protection products and amending Regulation (EU) 2021/2115 is to reduce the use of chemical pesticides by 50% and move growers into organic farming.

pages. Despite the size, the contributions are written in a matter-of-fact manner, where each chapter can be read as a stand-alone scientific analysis. However, it would have been extremely interesting if a single chapter was included dedicated entirely to the exploration of latest regulatory trends, instead of dispersing their analysis throughout the text.

The reviewed publication can serve as a wake-up call for policy-makers, experts and business, urging them to take a more proactive stance in facing climate change, resource scarcity, or power imbalances that contribute to distortions of food chains, in order to do more about driving the agri-business sector towards more sustainable and responsible practices.

This book will appeal to scholars, professionals and ordinary readers. In particular, *Global Food Value Chains and Competition Law* deserves to be read by any legal professional. The title does not do justice to the array of topics covered in the book. I highly recommend it to anyone curious to know more about one of the oldest, and still the biggest, industry in human history. The real value of the book lies in its versatility. It allows readers to peek into the food system, understand how it works, and the challenges it is facing in the 21st Century.

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