

**Voluntary Report** – Voluntary - Public Distribution

**Date:** April 03,2020

**Report Number:** RO2020-0007

**Report Name:** Romania Amends Controversial Food Retail Legislation

**Country:** Romania

**Post:** Bucharest

**Report Category:** Retail Foods

**Prepared By:** Monica Dobrescu

**Approved By:** Jonn Slette

**Report Highlights:**

On April 1, 2020, the Government of Romania (GOR) published Law 28/2020, amending Law 321/2009 on food retail. The original 2009 law was also amended in 2016 under Law 150/2016, requiring retailers to source and sell 51 percent of certain Romanian products. The European Commission (EC) raised concerns that Law 150/2016 would infringe on the free movement of goods within the common market. The new 2020 amendment eliminates the compulsory aspects of the 2016 law, although suggests similar measures on a voluntary basis. Although never fully implemented, Law 150/2016 created some confusion and prompted adjustments along Romania's food supply chain.

### **Background on Retail Legislation**

In 2016, the Romanian Parliament approved Law 150/2016, an amendment of Law 321/2009, requiring retailers to source at least 51 percent of certain food categories, including meat, eggs, fruits, vegetables, honey, dairy products, and bakery goods through the “short supply chain”. Law 150/2016 also obliged retailers to allocate display and sales space for Romanian-origin products. The 2016 law also required retailers to promote and specifically market Romanian food products.

Law 150/2016 was never fully enforced because the EC determined the law to be non-compliant with EU requirements and urged Romanian policy makers to reconsider articles requiring retailers to sell 51 percent of the abovementioned products; arranging for dedicated Romanian display areas within stores; and organizing dedicated marketing and promotional activities for Romanian products.

### **The 2020 Amendment**

While Law 28/2020 maintains spirit of the controversial aspects of Law 150/2016, the new amendment stops short of obligating these provisions. Law 28/2020 introduces “direct partnership” between commercial retailers and agricultural cooperatives, agricultural producer associations, and agricultural producers and distributors, via 12-month commercial contracts. Subsequent legislation to be drafted by the Ministry of Agriculture will establish the terms of these direct partnerships. Retailer may gradually increase volumes of products sourced through direct partnerships for meat, eggs, vegetables, fruits, honey, milk, and bakery products, as well as choose to market these products in dedicate display areas.

Law 28/2020 also eliminates country of origin labeling provisions for meat. According to earlier Romanian requirements, meat product labels were to indicate the percentage of Romanian-origin meat. Law 28/2020 is scheduled to be enforced within 45 days after April 1, the date of publication.

### **Impact of the 2016 Law**

Law 150/2016 was never fully implemented due to the abovementioned concerns. Because no subsequent guidance was ever provided to Romanian stakeholders in 2016, the provision on the “short supply chain” was widely interpreted as mandatory for retailers to procure from domestic-origin suppliers. Although never enforced, the 2016 law incentivized many retailers to build relationships with local farmers or other distributors of local products. A few retailers helped farmer organizations build space to collect, sort, and package fresh fruits and vegetables to be delivered to retail chains. Nevertheless, retail chains continue to largely rely on imported products due to supply consistency, competitive prices, and wide variety.

For additional information, please see related USDA GAIN reports:

[New Romanian Law on Food Trading Triggers Adjustments in the Supply](#)

[Updates on the New Retail Law and COOL Labeling in Romania](#)

**Attachments:**

No Attachments.