



Molly Scott Cato
MEP for South West England and Gibraltar
European Parliament
Rue Wiertz
Brussels

30th April 2018

Dear Commissioner Vestager,

I am writing to draw to your attention to the proposed merger between Asda and Sainsbury's. As you know, the retail market in the UK is an [oligopoly with just four dominant players](#) and is characterised by increasing concentration which has had a negative impact on competition. As a small number of players have grown more powerful they have used their power to ruthlessly eliminate other players and to pressure producers. Data suggest that as much as 50% of the value of the supply chain accrues to retailers leaving those who produce our food - the farmers - struggling to remain viable.

Indeed, it was concerns about such practices that led to the [Commission's recent actions to ban unfair practices in the supply chain](#) including 'late payments for perishable food products, last minute order cancellations, unilateral or retroactive changes to contracts and forcing the supplier to pay for wasted products.'

It is the [concentration of power with a small number of retailers](#) that enables them to operate these and other unfair contracting practices with their suppliers. With the UK importing a large percentage of its food, including much from across the EU, this merger could have far reaching implications for European suppliers.

I would ask you to act to support your fellow Commissioner Hogan to protect farmers by calling the proposed merger in for investigation.

I look forward to hearing your response

Yours sincerely

A handwritten signature in blue ink that reads "Molly Scott Cato". The signature is written in a cursive, flowing style.

Molly Scott Cato MEP