

Contents

<i>List of Authors</i>	<i>page</i> xv
1. Global Food Value Chains: A Conceptual Guide	1
2. Rents, Power and Governance in Global Value Chains	29
I. Introduction	29
II. Power, Rent Generation and Rent Appropriation in GVCs	31
III. Changing Context in the Global Governance of GVCs	34
IV. The Role of Four Key Stakeholders in the Governance of GVCs	35
A. The Firm and the Exercise of Governance over GVCs	36
B. Civil Society and the Exercise of Governance over GVCs	38
C. The Nation State and the Exercise of Governance over GVCs	39
D. Supra-National Institutions and the Exercise of Governance over GVCs	41
V. In Reality, Who Governs GVCs? Three Case Studies	43
A. The Governance of Product Safety Product Standards in Food GVCs	44
B. Taxation and the Governance of Rent Appropriation in GVCs	45
C. Competition law and the Governance of Market Power Rents in GVCs	48
VI. Conclusions: Who Governs GVCs – A Tentative General Argument	51
3. The Financialization of Land and Agriculture: Mechanisms, Implications and Responses	55
I. Introduction	55
II. Financialization of the Food Chain: A Move beyond Speculation	58
III. The Financialization of Land and Agriculture: Actors, Trends and Drivers	60

IV. Local and Chain-Based Responses against a Transnational Phenomenon	66
V. Conclusion: Take Finance Seriously and De-Commodify Its Rhetoric	70
4. Agriculture, End to End	73
I. Introduction: No Farm Is an Island	73
II. The Yeoman's Tale	74
III. End-to-End Intelligence in Agricultural Supply Chains	77
A. Ecosystem Services	77
B. The 'End-to-End' Principle	78
IV. The Treadmill of the Gods	82
A. Menschendämmerung: Humanity's Twilight	82
B. The Seeds of Discontent	85
C. Peak Glyphosate	89
D. Transcending the Transgene	92
V. Signal, Sound and Fury	94
VI. Agriculture End-to-End and the End of Agrarian Independence	99
5. New Forms of Financing the Agricultural Sector in Brazil: The Experience of the Soybean Chain	102
I. Introduction	102
II. Structural Change in Brazilian Agriculture	103
A. The Effects of the Brazilian crisis of the 1980s on Rural Credit	103
B. Consolidation of Brazilian Export-Oriented Soybean Agriculture	107
III. New Organisational Forms of Brazilian Soybean Chains	111
IV. Conclusions	117
6. Economic Concentration and the Food Value Chain: Legal and Economic Perspectives	118
I. Introduction: The Changing Landscape of the Industry	118
II. Economic Consolidation Through Merger Activity	119
III. Economic Concentration and Impact on Prices and Innovation	127
A. Seeds and Traits	127
B. Crop Protection	133
C. Fertilisers	137
D. Agricultural Machinery	140
E. Animal Genetic Improvement	144
F. Food Manufacturing/Processing	145
G. Retail	150

IV. ‘Economic Concentration’ and ‘Consumer Welfare’ Narrowly Defined	152
V. Economic Concentration and Public Policy Concerns	158
VI. Conclusions	167
7. The State of American Competition Law with Respect to the Food Chain	172
I. Introduction	172
II. The Dispersed Institutional Structure	173
III. Input Market Issues	175
A. Merger Policy	175
B. Anticompetitive Conduct in Input Markets	177
IV. Output Market Issues	179
A. Merger Enforcement	179
B. Limiting the Utility of the Packers and Stockyards Act (‘PSA’) to Protect Livestock and Poultry Growers	181
C. Farm Cooperatives’ Competitive Conduct	184
D. Other Conduct Issues-Information Sharing	187
V. The Continuing Issues	188
8. The Brazilian Food Value Chain and Competition Policy: An Overview of CADE’s Role – Centrality and Inadequacy	190
I. Introduction – The Recent Round of Mergers in the Food Value Chain and the Brazilian Institutional Apparatus	190
II. CADE: Moving towards International Best Practices, but Far From Protecting Brazilian Interests	191
III. CADE and the Food Value Chain: The Centrality of the Competition Authority in Shaping Seed-Biotechnology and Fertilizer Markets	194
A. Food Production and Global Value Chains	194
B. CADE and the Shaping of Food Value Chain Markets in Brazil: Seed-Biotechnology and Fertilizers	195
1. Seed-Biotechnology under the Scrutiny of CADE	195
2. Fertilizers under the Scrutiny of CADE	198
3. A Body with Centrality in the Food Value Chain, but with No Appropriate Institutional or Cognitive Qualities	200
IV. Institutional Challenges of the Food Value Chain to Brazilian Development	201
A. Internal Challenges: Land and Water Concentration and the Production of Economic Complexity	201
B. External Challenges: The Protectionist US State and the Chinese Entrepreneurial State	204
V. Conclusion	207

9. Competition Concerns in Fertilizer Import-Dependent Countries like India and China: Analysing the Agrium-PotashCorp Merger	209
I. Introduction	209
II. Recent History of the Potash Industry and Present Market Outlook	211
III. The Agrium-Potash Merger: Competition Concerns in China and India	212
A. Merger Review by MOFCOM and CCI	213
1. Concentration and Enhancement of Control over the Global Potassium Chloride (KCl) Market	213
2. Impact on Price Negotiations	214
3. Order and Conditions	214
B. Remaining Concerns	215
1. The Limitations of National Competition Laws to Tackle Export Cartels	215
2. Rising Concentration in Potash: Indications of a Possible Throwback to the Period of Dominant Export Cartels	218
IV. The Path Ahead	220
10. Russian Competition Policy Over Value Chains in Agricultural and Food Sectors	223
I. Introduction	223
II. Value Chain Governance Considerations in Russian Competition Policy	225
III. Russian Agricultural and Food Sectors as a Target for Protection and Competition Policy	227
IV. Enforcement of Competition Law in the Agricultural and Food Sectors: Between Markets and Value Chains	230
V. Price Remedies on Fertilisers	233
VI. Trade Law: The Protection of Food Suppliers Vis-à-Vis Grocery Shops	235
VII. Conclusions	237
11 The Pioneer/Pannar Merger, the Maize Seed Value Chain and Globalisation	240
I. Introduction	240
II. Background to Maize Seed Sector	241
III. The Pioneer/Pannar Merger	245
A. Introduction	245
B. The Parties' Narratives	246
C. The Institutions of Decision Making	248
1. The Tribunal	248
2. The Competition Appeal Court ('CAC')	252
IV. Conclusion	254

<i>Contents</i>	<i>ix</i>
12. Power in the Food Value Chain: Theory and Metrics	256
I. Introduction	256
II. Different Dimensions of Bargaining Power in Competition Law	262
A. Superior Bargaining Power, Relative Dominant Position and Economic Dependence: Variations on a Theme?	262
B. Important Challenges	265
1. Challenges of Measuring Bargaining Power	265
2. Purchasing Co-operation Agreements and Superior Bargaining Power	270
3. Abuse of Economic Dependence Provisions	272
4. Mergers and Effects-Based Analyses Integrating Superior Bargaining Power Generated Unilateral Effects	278
III. Superior Bargaining Power Outside the (Normal) Competition Law Toolkit	281
A. Resolving Issues Concerning Superior Bargaining Power through Legislation	281
B. Opening the Floodgates? Unfair Commercial Practices Resulting from the Competition Law Issue of Superior Bargaining Power	287
C. Status-Based Protections of Specific Groups from Superior Bargaining Power	293
D. Dynamic Status-Based Protection Framework in the Food Value Chain	298
IV. Need for an Overall Theoretical Framework: Concept of Vertical Power	301
A. Resource Dependence Power: From Neoclassical Market Power to Exclusionary Power	302
B. Positional Power in a Network	304
C. Value Chain Level Metric of Vertical Power	307
1. More Precise ‘Vertical Power’ Theory in the Context of a Value Chain	307
2. Resource-Based Vertical Market Power: Empirical Assessment of the Greek Supermarket Sector	308
a. Detergent Supply Chain	310
b. Feta Cheese	311
V. Conclusion	312
13. Efficiency and Fairness: Interdependent Discourses in Supermarket-Supplier Relations	315
I. The Efficiency Discourse in Supermarket-Supplier Relations	319
II. The Fairness Discourse in Supermarket-Supplier Relations	323
III. The Politics in Supermarket-Supplier Relations	329
IV. Broader Reflections	331

14. China’s Legal Regulation of the Abuse of Market Power by Large Retailers	333
I. Introduction: Overview of China’s Large Retailers and Their Market Behavior	333
II. The Status of, and Problems in, China’s Legal Regulation Concerning the Abuse of Market Power by Large Retailers	335
A. Definitions for Retailer and Supplier	338
B. Type of Behaviors Subject to Regulation	338
C. Law Enforcement Agencies	339
D. Liabilities	339
E. Issues	339
III. Cases Concerning China’s Legal Regulation of the Abuse of Market Power by Large Retailers	340
IV. Recommendations for the Improvement of China’s Legal Regulation of the Abuse of Market Power by Large Retailers	344
15. Superior Bargaining Power in Russian Contract and Competition Law	348
I. Introduction	348
II. Superior Bargaining Power in Contract Law	350
A. Ruling No. 16 and Article 428	351
B. Article 428, Sub-Paragraph 1	355
C. Article 428, Sub-Paragraph 2	356
D. Article 428, Sub-Paragraph 3	357
E. Conclusions: Superior Bargaining Power in Russian Contract Law	358
III. Superior Bargaining Power under Russian Competition Law	359
IV. Federal Law on Trading Activities: New Instrument to Deal with Superior Bargaining Power	363
A. Category 1: ‘Forced Purchase’	365
B. Category 2: ‘Forced Provision of Benefits’	365
C. Category 3: ‘Imposition of Disadvantages’	366
D. Federal Law on Trading Activities	367
V. Conclusion	371
16. Regulating Unfair Trading Practices in the EU Food Supply Chain: Between Market Making and Market Correcting	373
I. The Goal of Competition Law: A Functional Approach	373
II. Buying Power, Unfair Trading Practices, and Competition Law: In Search of a Market Failure	374
III. EU Competition Law and ‘Other’ Laws at the National Level: A Difficult Relationship	380

<i>Contents</i>	<i>xi</i>
IV. Correcting the Market: Prohibited Practices and Minimum Standards of Fairness in the EU Agri-Food Supply Chain	384
V. Correcting the Market: From Subsidies to Competition Law Exemptions	389
VI. Conclusion: Market-Making and Market-Correcting Go Together	394
17. Food Chain Certification and the Social Pluralism of Competition Law	397
I. Introduction	397
II. Governance Structures and Blind Spots of Food Value Chains	400
A. Upholding Complexity: Contract Governance Meets Standard-Setting	401
B. The Hybrid Role of Standards: Consolidating the Social Autonomy of the Food Chain	404
III. Certification as Polycontextural Governance	405
A. Institutional Design of Certification and Accreditation	407
B. The Politics and Economics of Certification	407
IV. Competition Law Challenges of Third-Party Certification	409
A. Holistic Competition Law: Intra-/Inter-Regime Collisions	410
B. Non-welfarist Rationalities under EU Competition Law	413
1. Assessing Sustainable Food Labelling under Article 101 TFEU: Product and Discourse Differentiation	413
2. Unbundling the ‘Private’ in ‘Private Sustainability Governance’	417
V. Conclusion	418
18. Hunger Games: Connecting the Right to Food and Competition Law	420
I. Introduction	420
II. Understanding the ‘Right to Food’	431
A. The Conceptual Framework of the Right to Food	431
B. The Nature of the Obligations on States to Fulfil the RTF	433
C. The Enforceability and Justiciability of the RTF	440
III. Global Food Value Chains from the Perspective of “Interessenjurisprudenz”	445
A. Understanding the Global Food Value Chain	445
B. Taking into Account Various Rights and Entitlements	446
1. Promoting Intellectual Property Rights (‘IPRs’)	446
2. Preserving Biodiversity and Conserving the Environment for Future Generations	447
3. Achieving Economic Efficiency and Inclusive Growth	448

IV. Competition Law and the RTF	449
A. The Conceptual Dimension of a Competition Law Response to RTF	449
1. The Basic Premise of Competition Law: The Effects of Market Power on Prices and Output	449
2. Gaps in the Conceptual Toolkit of Competition Law as an Instrument Implementing the RTF: A Practical Example	453
B. Re-orienting the Focus of Competition Law While Staying within the Mainstream Framework	455
1. Greater Focus on the Exercise of Buyer Power	456
2. Extra-Territorial Reach of Competition Law	457
C. Going Beyond Filling the Gaps: The Recommendations of the UN Special Rapporteur on the RTF for Competition Law	459
V. Resolving Substantive Conflicts between Competition and RTF Regimes	461
A. The ‘Spheres’ of RTF and Competition Law: Separate or Integrated?	461
B. The International Trade-Right to Health Debate: An Illustration of What Is Possible and Implications for the Interaction between the Right to Food and Competition Law	468
1. The Nexus Between the WTO TRIPS Regime and International Human Rights	468
2. Zooming in on the TRIPS Agreement: From the Right to Public Health to the Right to Health	469
3. The Role of Competition Law in Progressively Realising the Right to Health	472
4. Lessons for the Implementation of the Right to Food	475
VI. Conclusion	476
19. Agribiotech Patents in the Food Supply Chain: A US Perspective	478
I. Introduction	478
II. The Evolution of Transgenic Seed Protection	480
III. Patent Exhaustion	484
A. Intent	486
B. Post-sale Restrictions	489
C. International Exhaustion	491
D. Sales and Licenses	493
E. Patent Misuse and Antitrust	496
IV. Trends	498
V. Conclusion	502

<i>Contents</i>	<i>xiii</i>
20. Mergers and Product Innovation: Seeds and GM Crops	504
I. Introduction	504
II. Review of the Economic Literature	506
A. Competition Policy and Innovation	506
B. Innovation and Market Structure	508
C. Innovation and Mergers	514
1. Moving from Market Structure to Merger	514
2. Formal Modelling of Merger and Innovation: First Steps	516
3. The Impact of the Conditions of Merger	520
4. Ambiguous Results of Empirical Works concerning the Relationship between Mergers and Innovation	521
5. Determining Points of Concern for Competition Policy: Markets	523
D. Key Principles Underlying Approaching the Relationship between Mergers and Innovation	524
III. Main Economic Effects and a Proposed Typology	526
A. Static Effects	527
B. Dynamic Effects: Product Markets	529
1. Mergers without Price Effects	530
a. Scenario 1: Independent R&D Programmes and No Sharing of Results	530
b. Scenario 2: Independent R&D Programmes and the Sharing of Results	531
c. Scenario 3: Integrated R&D Programmes	532
2. Price Effects	533
C. Efficiencies	534
1. Economies of Scale and Complementarities in Innovation Markets	534
2. Legal Uncertainty and Patent Thickets	535
D. Horizontal Effects on Innovation Markets	535
E. Vertical Effects	536
1. Foreclosure in Innovation Markets	536
2. Sequential Innovation	536
F. Linking Effects to Market Structure	537
IV. Competition Policy Algorithm	542
V. The Genetically Modified Crops and Seed Industries: Main Features and Past Mergers	543
A. Product and Industry Characteristics	543
B. Mergers and the Direction of Innovation	544
C. Past Mergers	545
D. Vertical Dimensions	546
E. BRICS: Special Concerns	548

VI. Empirical Discussion	550
A. Using Patent Data to Assess Innovation: Methodology and Limitations	550
B. The Data	551
1. US Patents	552
2. ESPACENET	553
a. The Data	553
b. Some Preliminary Observations	563
C. Preliminary Evaluation of Certain Major Mergers	576
VII. Conclusion	578
Appendix 20A Formal Analysis of the Innovation Effects of a Merger	580
Appendix 20B Mergers	586
 21. The Global Grain Trade: From a Ferrymen Oligopoly to the Sustainable Bridge Solution	 590
I. Introduction	590
II. The Market Power of Global Ferrymen	594
III. Financialisation as a Driver for the Accumulation of Market Power	597
IV. Issue of Concentration	602
V. Bridging the Gap: Bringing Sustainability to the Global Grain Trade	612
VI. Conclusion	625
 <i>Index</i>	 627