We are looking for information concerning the role of institutions in providing food price formation data and analysis.
Case studies based on countries' experiences will be presented in the paper.
To prepare the case studies, would you please provide information on the following set of questions?

NB: If you answer positively to question 1, please answer question 2 to 6. If not, please answer question 7. Answer questions 8 and 9 is all circumstances.

1. Is there a monitoring entity of food prices, food price transmission or/and of contractual arrangements along the chain in your country? What is its name? When was it settled?

The volatility of agricultural commodity prices and the increase in consumer food prices over the past ten years have created expectations from stakeholders from across the food supply chain. This has triggered interest from policy makers and translated into the development of food price observatories across Europe. A cost-effectiveness analysis demonstrated that such tools are justified. While activities should be adapted to the scale and context, there has been also an interest to share information on methodologies.

Considering the complexity of the sector, price transmission analysis may yield more operational conclusions when integrated into broader multi-disciplinary analysis that takes into account also factors impacting the efficiency of the food supply chain which are not necessarily reflected in prices.

We do not have a monitoring entitiy of food prices along the food chain in Hungary. The Hungarian Central Statistical Office is responsible for collecting price information, but this examination does not refer to the whole food supply chain.

2. What is the rationale behind the existence of this monitoring entity? What does it add to what was done in the past on food prices in your country?

3. Can you identify three key objectives of this institutional initiative? Have they been reached? Did you set up an assessment's process? Can you describe experiences that were not as successful?

4. Who are the "clients" of this monitoring entity: government, specific stakeholders along the chain, consumers? How do they use the tool to your knowledge?

5. What is the cost of getting this monitoring entity up and running in terms of:
- Involvement of ministries, statistical offices, stakeholders along the chain
- Financial implications for its regular functioning

6. What is the future planned for this entity?

7. If you don't have such a monitoring entity, are food prices at different levels of the chain available publicly? Is food price transmission / transparency an important issue for your government, for consumers and for stakeholders along the chain? Is there a plan to set up a monitoring entity? Did you have one in the past and why did it stop operating?

The Hungarian Central Statistical Office (HCSO) collects prices (both producer and consumer prices) The price data for the main products are available in the website of HCSO. Some example:
http://www.ksh.hu/docs/eng/xstadat/xstadat_infra/e_qsma003a.html
http://www.ksh.hu/docs/eng/xstadat/xstadat_infra/e_qsma005.html
http://www.ksh.hu/docs/eng/xstadat/xstadat_infra/e_qsf005j.html

The related metadata are the following.

Average producer prices:

- ***Average procurement price:*** the quotient of the value paid for the products without VAT and the quantity belonging to it.
- ***Average market price:*** average offer price of agricultural products, animals and animal products, sold on crop and livestock markets directly to households. The average price of a product is the most frequent (modus) price weighted with the actual quantity of the product that arrived at the market.

Average consumer prices:

- ***Average consumer price:*** the arithmetic mean of country-wide collected consumer prices of the given selected item.

8. What about the private sector: what is their demand for and willingness to provide greater transparency regarding price formation along the food chain according to your experience?

Given the diverse nature of national food price observatories, there may be a need to develop a common understanding of the concept of food price observatory. In that respect the following categories should be clearly distinguished:

Basic national consumer price observatories, which provide basic information on price indices for specific food products categories;

More elaborate consumer price observatories, which provide enable the user to compare absolute price levels in various geographical areas or even at individual points of sale;

Food supply chain price observatories, which allow the user to compare price changes (indices) at various stages of the supply chain and may also provide more analytical indicators;

Food supply chain price and cost observatories, which provide information not only on prices but also on the cost structure of specific product categories.

While consumer price observations are carried out and published in most European countries**,** food supply chain price observatories remain less common. To keep up efforts in developing such observatories, experts could be encouraged to regularly exchange views on methodologies and findings, and identify the causes of possibly contrasted market situations between countries.

9. Have you identified impediments to price transmission along the food chain? Do you think that policies can help mitigating those impediments? In that context, have policy responses been taken to ensure that food markets are competitive and integrated in your country? What is your

assessment of their effectiveness? Are there any policy related to relationships along the food chain in the pipelines?

With respect to the European Food Price Monitoring Tool, the following improvements should be envisaged:

Data gaps should be filled in, notably for agricultural prices, which currently lack in the tool from early 2013 on, and for producer prices, where statistical confidentiality rules lead to occasional data gaps;

Analytical indicators should be developed, responding to users' needs (policy makers, industry, NGOs, researchers…), in areas where the underlying data is sufficiently robust;

The possibility to go beyond price indices and include **absolute prices** in the European food price monitoring tool is subject to controversy. Price indices are useful to compare relative evolutions of prices for various product categories. They are not fit to assess changes in gross margins. Such indications might be partially provided by absolute prices. However, price indices are the fittest statistical tool available to describe price changes for product categories with high internal variability, which is the case of most foodstuffs, when considered at European level. Absolute prices may only be considered for some specific, relatively standard products (such as certain agricultural commodities). Such information would likely bring only limited value for cross-supply chain analysis;

The possibility to compare food price indices directly with **labour and energy costs** should be introduced within the tool, provided that such indicators enable the users to make meaningful comparisons (i.e. taking into account for instance labour-related taxes and benefits, which differ across Member States); furthermore such cost analysis should ideally be made possible for each stage of the supply chain;

Ways to add information on **other food production and distribution costs**, such as the price of main inputs to agriculture, real estate or marketing costs could be further explored;

Readability could be improved e.g. by systematically indicating what the raw material, intermediate product and consumer product are, by avoiding possibly confusing terms like 'producer' or adding definitions wherever such terms appear, and by translating the tool into all EU languages.