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?

Yes, in Spain a monitoring food entity was created in year 2000 by the Spanish Ministry of Agriculture, Food and Environment (MAGRAMA), called the Food Prices Observatory, as a methodological instrument and a forum of analysis that enhances knowledge on the process of the formation of prices within the agro-food chain, with a view to contributing to market transparency.

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?

The Spanish Food Prices Observatory has been conceived as a plural and open entity and it serves as a forum of analysis to acquire a deeper knowledge on price formation processes among the food supply chain and also to enhance coordination, creating a most favourable atmosphere for discussion and cooperation as well as providing the means for increased transparency and information dissemination.
Since 2008, the funcions of these Observatory were strengthened and it took on the commitment to study the value chains and price formation processes of 38 foodstuffs. These studies contribute to find ways to improve the food supply chain through knowledge of the chain itself, with the cooperation of all the stakeholders involved.

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?

The Spanish Food Prices Observatory has the following three main objecives, among others:

- Analyze the basic structure of the prices and the factors responsible for their evolution.
- Carry out a systematic monitoring of price formation.
- Prepare reports and perform studies analyzing the factors contributing to the formation of prices.

In this sense, since 2008 a total of 40 food supply chain studies have been carried on and 44 updates analysing the components of the food supply chain and their related costs in each marketing process Also, a systematic weekly follow-up on food pricing carried on since its foundation by the Observatory, involving two Ministries, MAGRAMA and MINECO which monitor prices at producer and retailer level respectively.

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?

The clients of the Spanish Observatory are all the stakeholders involved along the food supply chain, including administrations (central, regional, and local/provincial) and stakeholders' associations, from producers to consumers which assess the market situation and debate on the formation of food prices. The information generated by the Observatory contributes to market transparency and ensure that everybody knows about the others' business so that everyone involved can in fact enhance the efficiency of their own area.

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.

- This Observatory involve public administrations, as well as all type of food supply chain stakeholders' associations, from producers to consumers. The Presidency of the Spanish Observatory is held by the MAGRAMA and the Ministry of Economy and Competiveness (MINECO) holds the Vice-Presidency.

6. What is the future planned for this entity?

The Law 12/2013, on measures for a better functioning of the food supply chain, which came into force the 3rd of January, 2014, aims to improve the structuring and functioning of the food supply chain to increase efficiency and competitiveness of the Spanish food sector and achieve a better balance in trade relations between the operators of the value chain. In this way, the Law creates the Food Supply Chain Observatory that will assume the duties of the previous Observatory, and also assume new ones related with:

- The Code of Good Commercial Practices and make its monitoring.
- Promote best practices and agile systems of resolving disputes between the parties.
- Analyze and examine the basic structure of costs and prices received and paid by the producers and the causes of their evolution.

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?

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?

The food supply chain studies, mentioned above, are carried on through the collaboration of all the stakeholders that operates along the food supply chain, including the private sector because

these studies are not meant to be statistical surveys of incomes, costs and profits, nor a detailed diagnostic or analysis of the sector. The object of the studies is to encourage players to become involved in improving the sector by jointly analysing the costs incurred along the chain which have an impact on the end consumer price.

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?

The heterogeneity of the Spanish agrifood sector has an undeniable effect on the operation of and relationships between food supply chain operators, exhibiting deficiencies that have been exacerbated by the global economic crisis. The volatility of prices paid to producers, the high cost of inputs and the instability of international markets are cyclical factors that have reduced the competitiveness and profitability of the food sector. Different analysis of the current status of the value chain shows clear evidence of asymmetries in bargaining power that may and sometimes do result in a lack of transparency in price formation and potentially unfair and anticompetitive commercial practices that distort the market and have a negative effect on the competitiveness of the entire agrifood sector.
Thus, the Spanish Government believes that a proper functioning of the food supply chain is essential for ensuring sustainable added value for all operators and helps to increase their global competitiveness and also reverses the benefit of consumers. Therefore, it is essential to tackle this problem from an overall perspective that reaches all the agents who interact along the food supply chain for the food industry can fully develop and realize their potential. In this sense, the Spanish Government approved the Law 12/2013, on measures for a better functioning of the food supply chain wich came into force in january 2014. The aim of the Spanish Government with this legislative regulation is to rebalance food supply chain to ensure a sustainable distribution of added value, contributing to increase competitiveness and efficiency.

Survey of activities in food price formation, transparency and monitoring along the chain

The objective of this initial meeting is to exchange information and experiences with respect to new initiatives and ongoing activities in capitals on understanding and monitoring the issue of price formation and transmission throughout the chain from producers to consumers. It is the intention of the Network to be as inclusive as possible for this topic thus encouraging the participation of different stakeholders either directly or indirectly through their delegation.

To the extent possible the OECD Secretariat will attempt to briefly summarise what Members consider to be the main economic policy issues in the price formation and transmission of food prices along the chain for the different stakeholders and how these are being addressed in capitals. The attached survey is to provide the OECD Secretariat with information for the summary to be distributed prior to the meeting.

I Are price formation, transmission and transparency issues along the food chain important and if so for which stakeholders and why?

The Spanish Ministry of Environment, Rural and Marine Affairs (MARM) created the Food Prices Observatory (OP), already in the year 2000. Since then, it serves as a forum of analysis to acquire a deeper knowledge on price formation processes among the food chain.

Since 2008, a qualitative change has taken place in the OP's and its functions have been strengthened, through enhanced coordination, creating a most favourable atmosphere for discussion and cooperation as well as providing the means for increased transparency and information dissemination.

The OP has been conceived as a plural and open entity, which represents Administrations (central, regional, and local/provincial), as well as all type of food supply chain stakeholders' associations, from producers to consumers, which assess the market situation and debate on the formation of food prices.

II. What are the three most important issues with respect to food prices that have raised concern over the recent period?

Draft Bill on Measures to Improve Food Supply Chain - July 2011:

Its main objective is to improve food chain functioning and to enhance stakeholders cooperation, in order to increase the efficiency and competitiveness of the agri-food sector, getting more balanced commercial relations between the different operators among value chains.

The aim of the Spanish Government with this legislative regulation is to rebalance food supply chain to ensure a sustainable distribution of added value, contributing to increase competitiveness and efficiency.

Good Commercial Practices Code:

In the Final Conclusions of the Spanish Presidency of the European Union on *A Better Functioning Food Supply Chain*, the Presidency actively encouraged self-regulation initiatives between stakeholders in the food supply chain.

In this spirit, the MARM has been actively working to create a Code of Good Commercial Practices in the food supply chain. This Code is being intensively discussed by a Working Group specifically created within the members of the OP. The future subscription to this code would be voluntary. Its creation and main functioning has been included in the Draft Bill on Measures to Improve Food Supply Chain.

Value Chain Studies:

For the last 3 years, the OP has been engaged on carrying on deeper studies about food chain structures and price formation and transmission among them. The compromise acquired by the OP is to develop such studies for each of the 36 fresh products which are monitored, on a weekly basis, at three positions: farmer -wholesaler – retailer

III. Have you undertaken any institutional initiatives in recent years to improve your understanding of impacts of price formation, transmission and transparency on stakeholders in the food chain?

As it has just been mentioned above, the OP is engaged on carrying on deeper studies about food chain structures and price formation. These studies are not meant to be statistical surveys of incomes, costs and profits, nor a detailed diagnostic or analysis of the sector. The object of the studies is to encourage players to become involved in improving the sector by jointly analysing the costs incurred along the chain which have an impact on the end consumer price. Studies also enable key conclusions to be drawn about price formation in each sector.

The working methodology consists on collecting data through interviews with the main players among the value chain. The main activities and processes carried on at every stage as well as the main costs, prices and profits data are identified from those interviews. Then, there is a calibration stage of those data against secondary official and public sources. The final stage of these studies elaboration consists on a validation, which is needed before to launch these studies. Validation is carried on at one of the quarterly Plenary Sessions of the Food Prices Observatory and therefore implies the agreement of all stakeholders.

Do these involve more than one ministry or units in a ministry, and if so which?

The Presidency of the Spanish OP is held by the MARM and the Ministry of Industry, Tourism and Commerce (MITyC) holds the Vice-Presidency. Therefore there is a continuous and close collaboration between both Ministries.

These should include new working groups, new statistical units and special government offices and how they are administratively set up and operate. Any cross department activities in this area would be of particular interest.

The systematic, weekly follow-up on food pricing carried on since its foundation by the OP, involves two Ministries, MARM and MITyC which monitor prices at producer and retailer level respectively. Price collection at wholesaler level is carried on by a Public enterprise called MERCASA that collects prices at national level. All these prices have statistical value and as such, they belong to the different statistical series that Spain has to elaborate periodically. Food Supply Chain studies are also validated for all these entities as they belong to the OP structure.

IV. Are there non-governmental institutions which are involved in the same activities? Please include trade unions, co-operatives, consumer groups or business associations

Apart from Public Administrations, the OP composition includes producer, industry, distribution and consumers organisations up to roughly 60 different members.

V. Please describe briefly statistical and analytical activities undertaken on a regular or ad hoc basis? Please include special studies and research projects, database development, statistical analyses and other relevant activities.

The Spanish OP is being used as a permanent dialogue forum and a meeting point among stakeholders in the food supply chain. It organizes quarterly formal meetings to discuss about the main topics happening in the food supply chain. Besides it can meet totally o partially every time there is an important topic to discuss (Legislative Draft Bill, Good Practices Code…).

Besides its main objective to contribute to market transparency, its main tasks are:

- To analyse price structures and the main factors that modify them.
- To carry out a weekly monitoring of price formation.
- To submit proposals to the competent Administrations and involved stakeholders.
- To prepare weekly reports and deeper studies analyzing factors contributing to prices formation.
- To foster dialogue, communication and collaboration among the food supply chain's stakeholders.