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

The issues of price formation, transmission and transparency along the food chain are extremely important for all stakeholders in the process: farmers and their professional organizations, food processing industry, traders (whole sellers and retailers) as well as for the consumers who have to pay at the very end. The subjects in question are very pertinent as trade appears to have the strongest negotiating power due to its better organisation and perhaps even the oligopoly position or the practice of the cartel agreements.

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

On the first place it was undoubtedly the adoption of the "Code of good practices among stakeholders in the agri-food chain" which was signed by representatives of the farmers' organizations, food processing industry and traders.

Second issue is the implementation and monitoring of the code which is more of a nature of the gentlemen agreement. Complaints can be lodged to a survey board composed of the above mentioned stakeholders, where each has one representative who collaborate with the representatives of respective trade unions. Ministry for Economy and Ministry of Agriculture, Forestry and Food have an observer status.

The last issues were related to the regulation on terms of payment but also about setting up the data bases for the price monitoring along the whole food chain.

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

"Code of good practices among stakeholders in the agri-food chain" was signed only last month. As already mentioned two ministries were heavily involved in its preparation (Ministry for Economy and Ministry of Agriculture, Forestry and Food) as well as the Competition Protection Office (under the umbrella of the Ministry of Economy) and the Statistical Office of the Republic of Slovenia. Secretarial work for the code was carried out by the relevant services of the Ministry of Agriculture, Forestry and Food.

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

Non-governmental institutions involved in the process related to the code are mentioned in our reply to the second question (cooperatives, chambers and trade unions). Slovene Consumers' Association was not involved as they deal on a "Business to Consumer" basis and not on a basis of "Business to Business" which is a principle enshrined in the code.

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.

Statistical Office of the Republic of Slovenia gathers purchase and retail prices for selected agricultural products on a regular monthly basis. Purchase prices for the certain agricultural products are collected also by the Market Information System of The Agency for Agricultural Markets and Rural Development (AKTRP) which is a body within the Ministry of Agriculture, Forestry and Food. Import and export prices are regularly processed by the Customs Administration of the Republic of Slovenia. On the ad hoc basis several organizations are also involved like the Institute of Macroeconomic Analysis and Development, the Biotechnical Faculty-Department of Agricultural Economics, Policy and Law, Slovenian Chamber of Commerce-the Chamber of Agricultural and Food Enterprises, the Agricultural Institute of Slovenia etc.

Replies to the questions on OECD Food Price Formation Project

1. There is no single monitoring entity of food prices, food price transmission and/or of contractual arrangements along the food chain in our country. However there are some institutions dealing with food price data and analysis on different levels.

Statistical Office of the Republic of Slovenia gathers purchase and retail prices for selected agricultural products on a regular monthly and annual basis. Purchase prices are publicly available for grains, milk, meat, eggs, oil seeds, hops, fruits and vegetables as well as wine only in the form of indices. Retail prices relate to meat and processed meat products, fish, dairy products, eggs, fruits and vegetables (fresh and processed), bakery products, oils, beverages, other processed food products and tobacco.

Purchase prices for certain agricultural products (meat, eggs, dairy products, fruits and vegetables, cereals and wine) are collected also by the Market Information System of The Agency for Agricultural Markets and Rural Development (AKTRP) which is a body within the Ministry of Agriculture, Forestry and Food.

Import and export prices of agricultural products (chapters 0 – 24 of the EU Combined Nomenclature) are regularly processed by the Statistical Office of the Republic of Slovenia on the basis of input data Ministry of Agriculture, Forestry and Food

from the Financial Administration of the Republic of Slovenia (formerly Customs Office).

On the ad hoc basis certain organizations are also involved in analysing food prices and the like, namely:

- Institute of Macroeconomic Analysis and Development,
- Biotechnical Faculty - Department of Agricultural Economics, Policy and Law,
- Chamber of Agricultural and Food Enterprises,
- Agricultural Institute of Slovenia etc.

7. Data published by the above mentioned organizations: Statistical Office and Agency for Agricultural Markets and Rural Development are available publicly on the web sites.

Transparency of food price formation and transmission are important issues for the stakeholders along the food chain and especially so for the farmers and food processing industry. Setting up a monitoring entity with all the data available on one spot would be one of our aims in the next midterm period. Ministry of Agriculture, Forestry and Food has ordered a study on the possible model of price monitoring along the food chain. The study is to be published next year.

8. There is certain readiness in the private sector to provide greater transparency regarding price formation along the food chain as far as farmers and their professional organizations as well as food processing industry are concerned. The main problem appears to be on the side of traders (supermarkets) who have the strongest negotiating power due to their better organisation and perhaps even the oligopoly position in the market.

9. In order to tackle the impediments to price transmission along the food the "Code of Good Practices Among Stakeholders in the Agri-food Chain" was signed in the year of 2011 by the farmers' organizations, food processing industry and traders.

The implementation and monitoring of the code is more of a nature of the gentlemen agreement. Complaints can be lodged to a survey board composed of the above mentioned stakeholders, where each party has one representative who collaborates with the representatives of respective trade unions. Ministry for Economy and Ministry of Agriculture, Forestry and Food have an observer status.