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 summarize 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?

Yes, price formation, transmission and transparency issues along the food chain are very important both for government and for all participants of food chain. For government it is important to ensure competitive and fair environment for all participants of food chain. For participants of food chain it is important to receive an overview concerning fair share of price transmission and to maintain good business relations with others participants.

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

1. *Unfair trading practices carried out by retailers.*
2. *Luck of trustable information about the price formation process along the 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.

No, we have not.

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

No, there are no such institutions.

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.

- *Latvian Institute of Agrarian Economics collects purchasing prices for agricultural products (meat, grain) and producer prices for agricultural and food products (eggs, dairy products, fruits, vegetables). They send summarized information to European Commission (DG Agri) and Ministry of Agriculture.*
- *Central Statistical Bureau collects retail prices of food products and sends to Eurostat.*

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. In all circumstances, please answer questions 8 and 9 .

1. Is there a monitoring entity of food prices, food price transmission and/or of contractual arrangements along the chain in your country? What is its name? When was it established? Does it look specifically at certain products/sectors?

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    - *Central Statistical Bureau collects retail prices of food products and sends to Eurostat.*
    - *We do not have monitoring entity of food price transmission and/or contractual arrangements along the chain.*

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

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

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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?

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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

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6. What are the future plans for this entity?

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7. If you do not have such a monitoring entity, are data on food prices at different levels of the chain available publicly? Is food price transmission or 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?

Data on food prices at different levels are available only summarized in different price reviews, published on websites of Ministry of Agriculture, Central Statistical Bureau and different media.

Food price transmission and transparency is very important issue both for our government and those who are involved in food chain.

We do not have a plan to set up a monitoring entity due to limited financial possibilities.

We did not have such entity in the past.

8. Does the private sector have a demand for and willingness to provide greater transparency regarding price formation along the food chain according to your experience?

According to our experience private sector is not very willing to provide some information especially regarding price formation.

9. Have you identified impediments to price transmission along the food chain? What policies do you think might help mitigate those impediments? Have policy actions been taken? For example, have measures been taken to ensure that food markets are competitive and integrated in your country? What is your assessment of their effectiveness? Are any future policy initiatives affecting relationships along the food chain in the pipelines?

The biggest problem in Latvia is unfair trading practices carried out by retailers. We have developed draft regulation limiting these unfair trading practices in Latvia and it would be very useful to have such regulation on EU level in future. The problem is also luck of information on different stages of food chain, therefore it is very difficult to assess in which stage of food chain there are some deviations and/or violations.