ANSWER TO THE QUESTIONAIRE

We would also like to ask you to respond to a survey of activities in food price formation, transparency and monitoring along the chain that was submitted to OECD member countries in the context of the 3rd Food Chain Analysis Network (FCAN) meeting in 2011. The questionnaire is attached.

I. The issue is important particularly to the government (Ministry of Agriculture, Coordinating Ministry for Economics, and Ministry of Trade). Price spikes of staple food becomes a concern for consumers. Likewise declining price at the farm level become major concern for farmers.

II. (a) price spikes; (b) decline of farm gate price; (c) relatively high margin between farm gate price and retail price.

III. The government has established a working group on food price stabilization chaired by coordinating minister for economic and member representing ministry of trade, ministry of agriculture, central bureau of statistic, etc. The group meets regularly to review behavior of food prices and the necessary policy response.

IV. Chamber of commerce and industry, commodity associations, state own enterprises

V. The trend of prices is published regularly disaggregated by province. Comparison is also made between domestic and world price, particularly for strategic commodities.

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?

There are several ministries/agencies conduct monitoring food prices: (a) Central Bureau of Statistic (BPS); (b) Center for Trade Data and Information, Ministry of Trade; (c) Food Security Agency and Directorate General of Processing and Marketing of Agricultural Product, Ministry of Agriculture. Ministry of Trade and BPS focus on almost all commodities, with particular attention on 9 basic commodities. Whereas the Ministry of Agriculture concerns with 5 strategic food commodities: rice, maize, soybean, sugar, and beef.

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?

The justification for this activity is driven by volatility of commodity prices with the corresponding impacts to both consumers and producers. It also serves as indicator in monitoring price stabilization policy.

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?

(a) Monitor the effectiveness of price stabilization policy; (b) Provide information in deciding intervention policies in the case of extreme high or low price level; (c) Provide data base for research and academic purposes; (d) Provide information to private sector. These objectives mostly have been reached, but sudden price hike and price drop is always observed.

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?

Clients: government, private sector, researchers, universities, international organization.

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 are the future plans for this entity?

Based on comments from stakeholders, it needs some improvement on: (a) more disaggregated data by commodities and by regions; (b) more updated data; (c) easy access through internet.

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?

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?

Yes

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?

There are still some tariff and non-tariff barriers, which impede price transmission. Some staple food commodity markets, such as rice, is subject to government interventions. The policy regimes seem to continue in the foreseeable future.