



Market transparency in the food supply chain

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**CDG Animal Products – Poultry & Eggs
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Political context

- **European Parliament resolution, 7 June 2016:**
Calls for increased transparency... within the supply chain and for the strengthening of bodies and market information tools... (<https://europa.eu/!GG99Wn>)
- **Council conclusions, 12 December 2016:**
Calls on the Commission to address... the issue of lack of transparency and information asymmetry in all levels of the food supply chain... (<https://europa.eu/!Yc83tK>)
- **Joint statement, 12 March 2019:**
... the transparency of agricultural and food markets is a key element of a well-functioning agricultural and food supply chain... The Commission is encouraged to continue its ongoing work... (<https://europa.eu/!yT36XH>)

Economic, political & legislative context

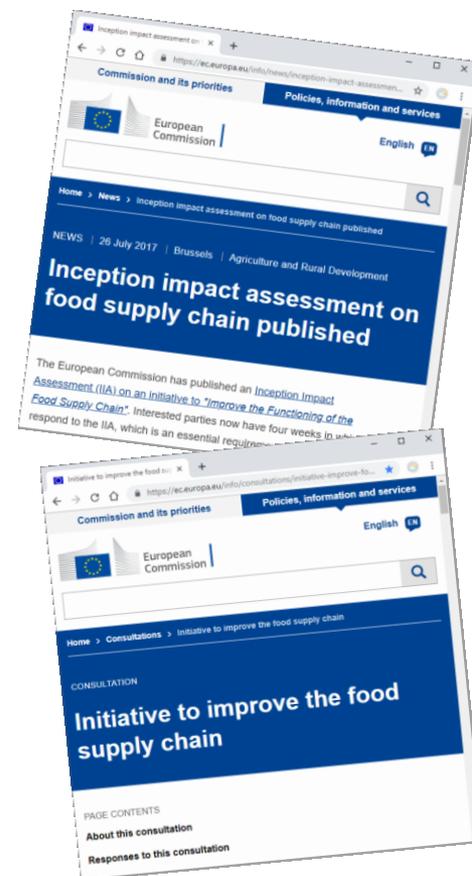
- Increasing market orientation of the EU's agri-food sector; increasing levels of market concentration at the processing and retail stages; changing consumer demand patterns; increasing integration into global markets
- Current data collection is based on Art. 223 of the CMO Regulation ([1308/2013](#))
- A delegated ([2017/1183](#)) and implementing act ([2017/1185](#)) supplement the CMO Regulation:
 - e.g. what prices and quantities should be reported? (Annex I-III of 2017/1185)

Current data collection at EU level

- Data at production stage, but less downstream
- Data available on prices and (some) quantities
- For some products all MSs report data, for others only if production is above certain thresholds
- Operators report to MSs, which verify and transmit the data to the Commission
- No coordination mechanism, no exchange of practices
- Dissemination through Commission systems (dashboards, agri-food data portal, observatories)

Member States and stakeholder views

- Inception impact assessment (July 2017)
- Open public consultation (Aug-Nov 2017)
- AGRI/JRC experts workshop (May 2018)
- GREX/CDG workshop (September 2018)
- Questionnaires to Member States, companies and consumers (Sep-Oct 2018)
- Stakeholder conference (Feb 2019)
- Feedback on Proposal (May-June 2019)



Feedback

There is support to extend the collection and publication of market data *as long as* the:

- system is not too costly
- publication raises no new competition concerns
- reporting is targeted on key products only
- data are of good quality and published in a timely manner
- information contributes to a better understanding of structural issues along the food supply chain



Draft proposal

Amend the Annexes of Implementing Reg. ([2017/1185](#))

- Selling prices also for selected processed products and for organics
- Buying prices to obtain new points of observation in the supply chain
- Quantities when useful to understand the chain
- Possibility for MSs to delegate to operators the transmission of information
- Better coordination mechanisms between MSs and stakeholders

Proposal: Data collection

- Member States concerned:
 - Generally: Producing or using more than 2% of the corresponding Union production or use
- Buying prices
 - Along the supply chain (processing and retail prices)
 - Same frequency as the relevant selling prices
- High value-added products
 - Organic, non-GM

Weekly prices (Annex I)

8. Eggs

Selling prices

Content of the notification: wholesale price for Class A eggs per farming method (average of categories L and M), expressed per 100 kg of product.

Member States concerned: all Member States.

Other: prices shall be notified for products in packing stations.

9. Poultry meat

(a) Selling prices

Content of the notification: average wholesale price for whole Class A chickens ('65% chickens') and chicken cuts (breast fillet, legs), expressed per 100 kg of product.

Member States concerned: all Member States.

Other: prices shall be notified for products in slaughter plants or recorded on representative markets.

(b) Buying prices

Content of the notification: representative retailer buying price for whole Class A chickens and chicken breast fillets, expressed per 100 kg of product.

Monthly prices (Annex II)

10. Poultry

Selling prices

Content of the notification: representative selling prices of organic whole Class A chickens ('65% chickens') expressed per 100 kg of product.

Period of notification: by the 15th each month in respect of the previous calendar month.

Quantities (Annex III)

9. Eggs

Content of the notification:

- the number of eggs production sites with the breakdown by farming methods referred to in Annex II to Regulation (EC) No 589/2008² and organic eggs produced according to Council Regulation (EC) No 834/2007³, including the maximum capacity of the establishment in terms of number of laying hens present at one time;
- the volume of production of eggs in shell per farming method expressed in tonnes net weight.

Period of notification:

- number of production sites yearly by 1 April each year;
- production volumes on a monthly basis by the 10th of the month for the preceding month.

Member States concerned: all Member States.

Tentative timeline

- Comitology vote 26 July
- Implementation 1 July 2020
- Drafting of technical guidance

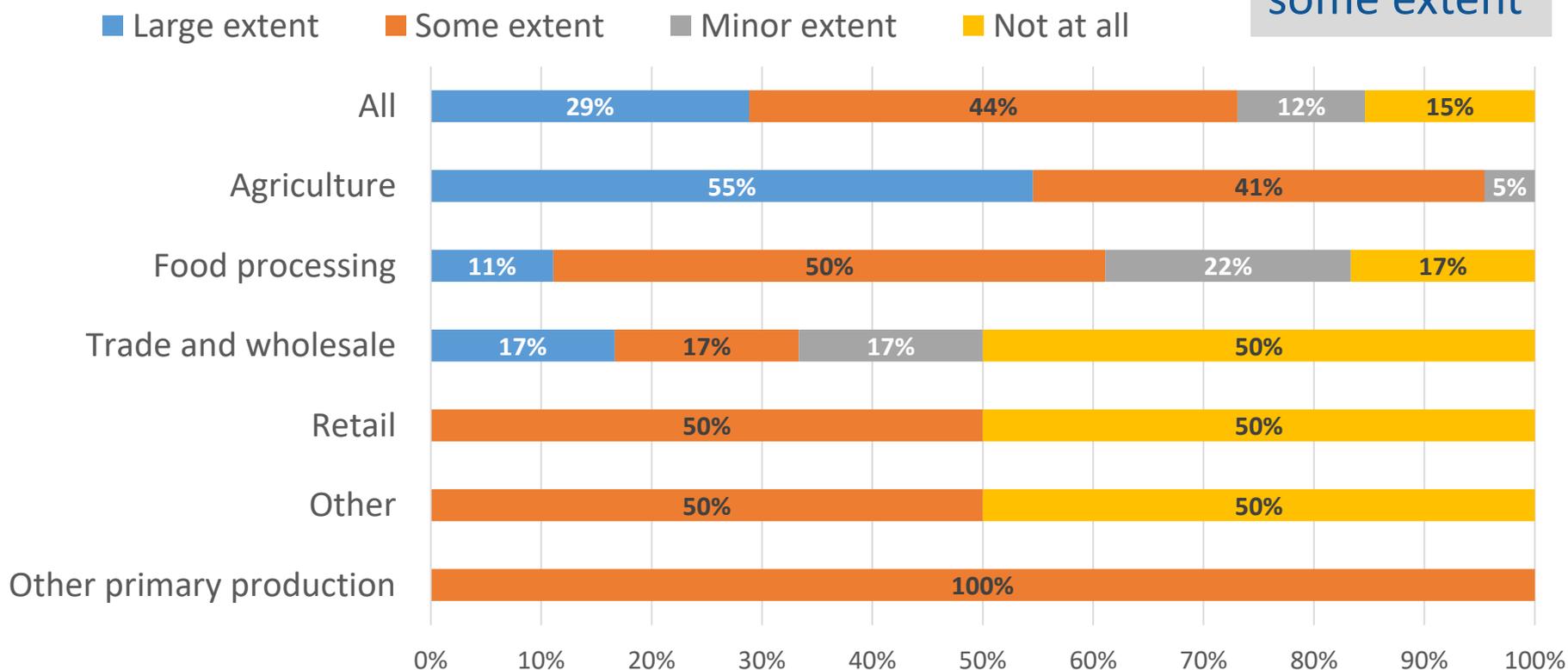


Thank you

Questionnaire to companies/groups

To what extent does the current level of market transparency have a negative impact on your sector?

73% say:
to large or
some extent



US Livestock Mandatory Reporting Act

Example for the impact of better market transparency:

- Exercised market power reduced
- Increased demand for agricultural products
- Increased market integration
- More responsive and converging spot & futures prices
- Benefits likely to be structural



Costs to public administrations

- Study by Wageningen UR for the JRC:
<http://doi.org/10.2760/197814>
- Examples of costs to public administrations from existing market information systems
- Per sector & product per year:
EUR 2,000 to EUR 80,000
- Large heterogeneity, but some evidence that
 - the more stages in the food supply chain are covered, the more the costs to public administrations increase
 - the more types of data are collected (prices, quantities, margins), the more the costs increase

Costs to operators

- Forthcoming study by the JRC with a survey of costs to operators, preliminary figures
- Set-up costs (extensive data reporting)
 - 69%: negligible to EUR 10,000
 - 19%: EUR 10,000 to 50,000 – 13%: > EUR 50,000
 - Reporting only prices generally decreases costs by 80%
- Running costs (extensive data reporting)
 - 57%: negligible to EUR 10,000
 - 29%: EUR 10,000 to 50,000 – 14%: > EUR 50,000
 - Reporting only prices generally decreases costs by 80%

Confidentiality and competition

Article 4

Protection of personal data

3. Where information notified to the Commission is obtained from less than three operators, or where information from a single operator accounts for more than 70 %... the Member State concerned shall signal this to the Commission...

4. The Commission shall not publish information in such a way that can lead to the identification of an individual operator. Where such a risk exists, the Commission shall only publish such information in an aggregate form.

(Implementing Regulation (EU) [2017/1185](#))

Option packages and preferred option

Scope	Option 1 Improved <i>status quo</i>	Option 2 Digitised improved price notification system	Option 3 Agricultural costs and price transparency	Option 4 Food chain observatory
Type of market data	Unchanged	<i>Producer and processing prices</i>	<i>Producer, processing and retail prices; some information on quantities, stocks, use (consumption); costs (production, processing)</i>	Prices; some information on quantities, stocks, use; costs; margins
Products	Few additional raw products, e.g. oilseeds, protein crops	<i>Annex I processed and high value-added products, e.g. meat cuts, some dairy products (drinking milk, mozzarella etc.), processed F&V (canned tomatoes, juices), sugar, plant protein products, some organic & GI products</i>	Annex I processed and high value-added products, e.g. meat cuts, some dairy products (drinking milk, mozzarella etc.), processed F&V (canned tomatoes, juices), sugar, plant protein products, some organic & GI products	Extensive list: all Annex I products, as well as some non-Annex I processed products (incl. biscuits, pasta, beer, sausages etc.)
Stage in supply chain	At production and processing level	<i>At production and processing level</i>	At production, processing and <i>retail level</i>	At production, processing and retail level
Geographical coverage	Representative markets	<i>Representative markets and operators</i>	Representative markets and operators	Extensive coverage: Annual notification of margins by all stakeholders
Mode of transmission	Member States (MSs) to Commission via ISAMM	<i>Alternatively, representative (larger) firms to MSs and Commission via ISAMM</i>	Representative (larger) firms directly to MSs and Commission via new integrated system	All firms directly to MSs and Commission via new interoperable system; additional annual notification of margins
Coordination	Unchanged (bilateral talks between Commission and MSs)	<i>Dedicated meetings of the expert group on the Common Market Organisation twice a year (MSs only)</i>	Dedicated meetings of the expert group on the Common Market Organisation <i>combined with a horizontal CDG twice a year (MSs and stakeholders)</i>	EU market observatory for the food chain (stakeholders only)



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