



Market transparency in the food supply chain

DG AGRI G1

Sugar Market Observatory

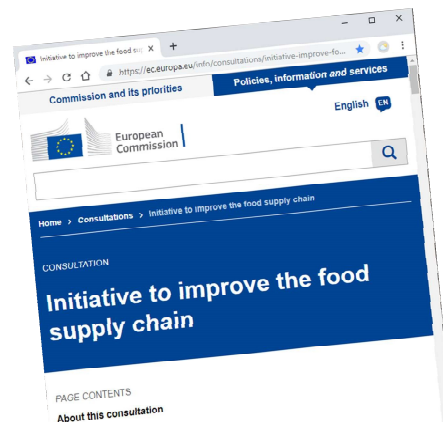
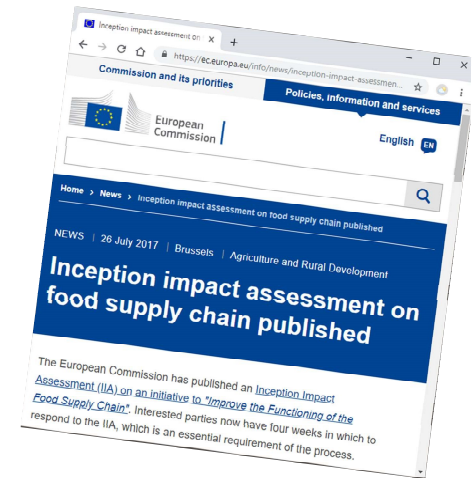
Brussels, 25 April 2019

Context & legal framework

- Political and economic context calls for increased level of market transparency (MT).
- The European Parliament, the Council and the Commission have reiterated the need to tackle the issue of MT and information asymmetry
- Increasing market orientation of the EU agri-food sector
- Current information collected rooted in CMO Regulation (1308/2013), Art.223, on communication requirements
- A delegated (2017/1183) and implementing (2017/1185) act supplement the CMO Regulation
 - What prices & quantities should be reported and with which frequency? (Annexes I,II,III of 2017/1185)

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 workshop (February 2019)



Benefits of market transparency

- Operators in the food supply chain:
 - Increased production efficiency
 - Improved risk management
 - Increased trust
- Public authorities
 - Reduced need for public intervention
 - More informed public policy and improved enforcement
 - Better preparation for and response to crises
 - Multiplier effects
- Benefits for consumers, researchers, environment

Costs to operators and administrations

- 69% of operators reported set-up costs (extensive data reporting) below EUR 10,000 and 19% between EUR 10,000 to 50,000
- 57% of operators reported running costs (extensive data reporting) below EUR 10,000 and 29% between EUR 10,000 to 50,000
 - **Reporting only prices generally decreases costs by 80%**
(JRC study – forthcoming, preliminary figures)
- Average costs to public administrations from existing information systems between EUR 2,000 and 80,000
 - **Depending on how many stages and type of data that is collected**
(Wageningen UR, for the JRC: <http://doi.org/10.2760/197814>)

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](#))

Conclusions of evidence gathering

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

- system not too costly
- publication raises no new competition concerns
- reporting 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 in the chain



Option packages and preferred option

Scope	Option 1 Improved <i>status quo</i>	Option 2+ Digitised improved price notification system	Option 4 Food chain observatory
Type of market data	Unchanged	<i>Producer and processing prices Retail prices; some information on quantities, stocks, use (consumption)</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, wine, some organic & GI products</i>	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, processing and retail level</i>	At production, processing and retail level
Geographical coverage	Representative markets	<i>Representative markets and operators</i>	Extensive coverage: Annual notification of margins by all stakeholders
Mode of transmission	Member States (MSs) to Commission via ISAMM	<i>Representative (larger) firms to MSs and/or Commission via ISAMM</i>	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 combined with a horizontal CDG twice a year (MSs and stakeholders)</i>	EU market observatory for the food chain (stakeholders only)

Schedule for the IA (tentative)

- Stakeholder conference 25 Feb / CMO committee (horizontal) Feb-Mar sessions
- Preparation of proposal (internal procedure)
- Continuing technical exchanges in all fora
- Discussion in CMO committee
- Vote (June or July ?)
- Implementation - > 6 months
- Technical guidance / implementation



Thank you.