

Market Transparency in the Food Supply Chain

Panel discussion and Q & A of afternoon presentations
Brussels, 11 Sep 2018

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Dr. Rico Ihle, Wageningen University, The Netherlands



Reflection by Dr. Kuhar

- 'Evergreen issue' of data availability & data quality
- General comments:
 - Enourmous heterogeneity of agro-food systems across MS
 - Improve of direction of activities: purpose & usage of monitoring?
- Slovenian experience: the fate of the Slovenian food€
 - Developed by Ljubljana University
 - Abandoned due to
 - Outdated results
 - Claims of retailers accusing of unrealistic results
 - Missing acceptance by supply chain actors

Reflection by Dr. Gardebroek: General observations on market transparency

1. Given (i) increasing concentration in supply chains, (ii) increasing product heterogeneity and (iii) world market influences there is a clear need for data on market transparency!
2. Instead of (only) collecting prices, collecting data on supply chain context (e.g. concentration indices, number of stages/actors, storability, etc.) equally important.
3. Different objectives can be discerned:
 - i. Timely provision of market prices to farmers
 - ii. Protection of consumers from high food prices
 - iii. Rigorous analysis of prices throughout supply chain

Reflection by Dr. Gardebroek on the presentation by Mr. Borrás

1. *Current price data provides info on general trends.*
 - Useful, but neglects increasing product heterogeneity and differences in production costs
 - Many different factors at various levels affect prices
2. *Lack of prices*
 - Certain supply chains, e.g. fruits
 - Last step of food chain (CG: mainly processing, farm prices and consumer prices are known)
 - From certain MS (CG: But how necessary is this?)
3. *Promoting EU Observatories and Producer Organizations*
 - CG: Is this a task for government? Government should intervene when markets do not function: e.g. lack of information or abuse of market power

Reflection by Dr. Gardebroek on the presentation by Ms. Testut-Neves

1. *Macroeconomic method*

- Provides nice overview for general public, but no info on margins, value-added etc. (just like prices).

2. *Price dynamics and gross margins*

- Explanation of these calculated margins: Input costs? Market power & competition issues?

3. *Production costs and net margins*

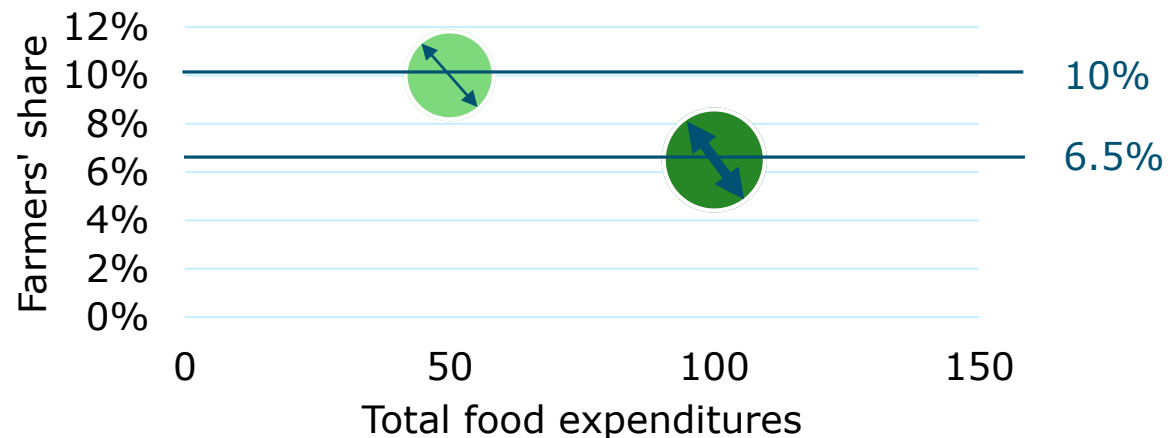
- CG: Quality of data on processing and retail costs (lack of data on processing industry)

Reflection by Dr. Ihle on the French observatory

- Impressive effort, extent, comprehensiveness & exemplary detail of analysis
- Enormously complex output, but...
 - Empirical observations on usage, usefulness & benefits existing?
 - Perception, acceptance & preferences of stakeholders?
 - Value of information for individual/ all actors quantified?
 - Role of government in the market economy?
 - Extent of (competing) private business activities/ data providers in France?
 - Private businesses gathering & analysing data:
 - Facebook, Google etc.
 - Sportradar
 - ZMP/ Ami, IGC, Nielsen scanner data, GfK etc.

Reflection by Dr. Ihle on the French Food€

- Enlightening and insightful tool for awareness-building and education of the public about
 - Structure
 - Relations in EU food supply chains
- To what extent useful for policy making? French experiences?
 - Small farmers' share not necessarily a bad situation



● Year x ● Year x+20

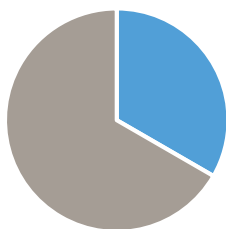
Reflection by Dr. Ihle on the French Food€

- Comparability & consistency of farmers'/ actors' shares estimates?

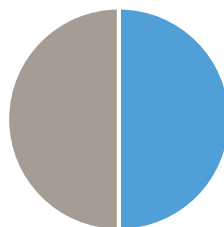
Slide	12	19	20
Farmers' share	6.5%	44% (=4.94/11.25)	28% (=0.22/0.78)

- How insightful and unambiguous are the estimates? How much explanatory power do they have?

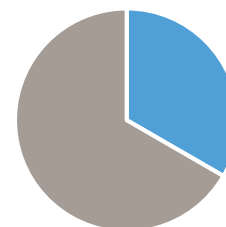
Country A



Country B



Country C



■ share of sector 1 in total agric.

■ share of sector 2 in total agric.

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■ share of sector 2 in total agric.

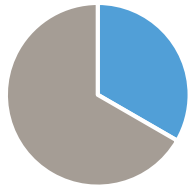
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■ share of sector 2 in total agric.

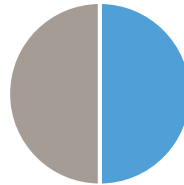
Reflection by Dr. Ihle on the French Food€

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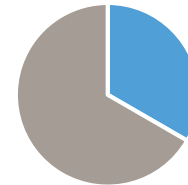
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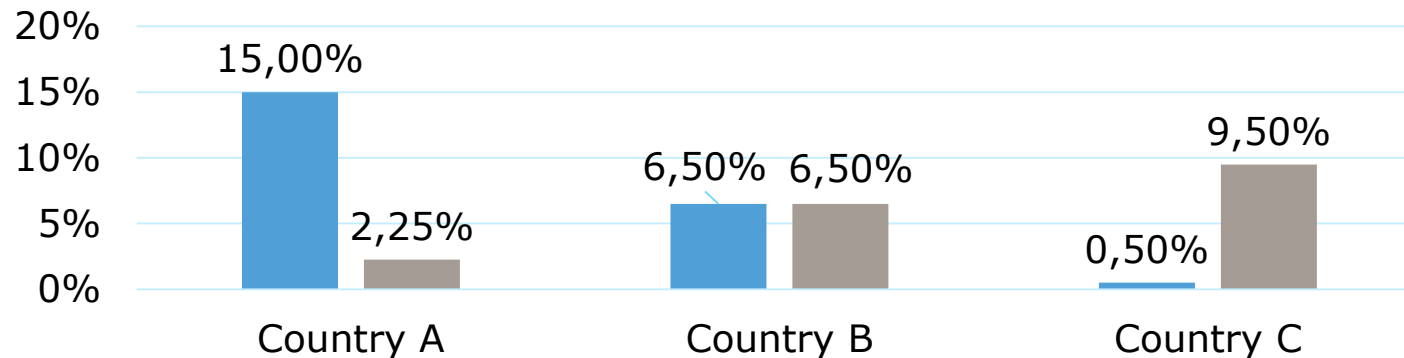
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Farmers' share per sector in the three countries



■ farmers' share in sector 1

■ farmers' share in sector 2



General discussion incl. Q & A

Views, experiences, clarifications needed and **comments** on the

- Insights presented by Mr. Borrás and Ms. Testut-Neves
- Reflections presented by the three discussants
- Structure and availability of market data of the sectors dealt with
- Strengths and weaknesses of the current state of market transparency
- Expertise, experiences and evidence on consequences of present transparency for sectoral supply chains actors

