



Price indices across the Sugar Supply Chain in the EU: opportunities and challenges

Food Price Monitoring Tool

**Economic Board of the Sugar Market Observatory
Brussels, 03/07/2018**

Outline

- *Food Price Monitoring Tool: What is it? Why?*
- *New Sugar Supply Chain?*
 - > *analysis stage by stage*
- *Examples of sugar supply chains (per country)*
- *Conclusions*

Why the Food Price Monitoring Tool?

- 1. Huge volatility of food prices in 2007-08*
- 2. Commission and Parliament call for food price transparency*
- 3. Eurostat gathers existing data on food prices*



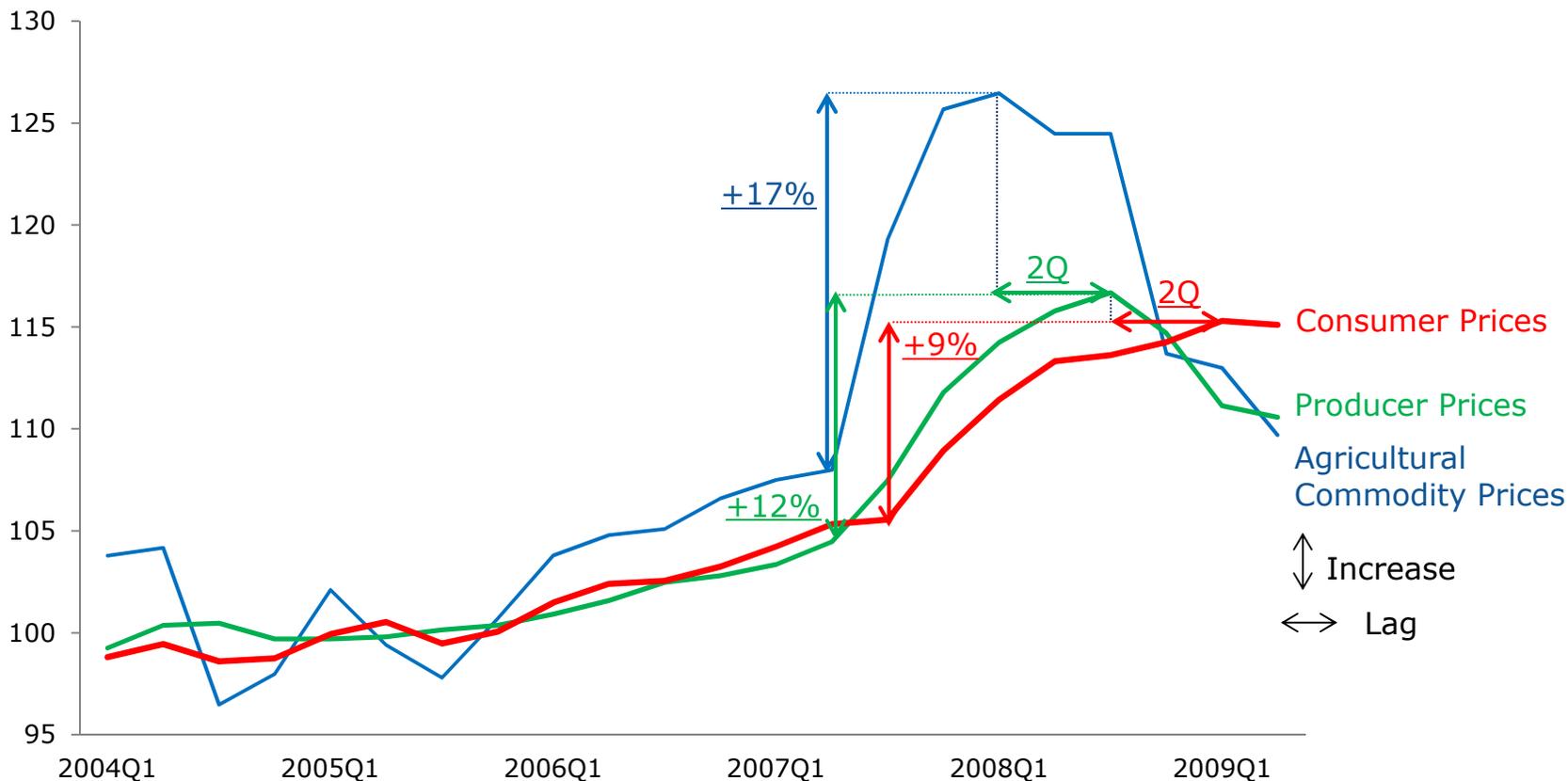
Food Price Monitoring Tool

Stages of the Food Supply Chain



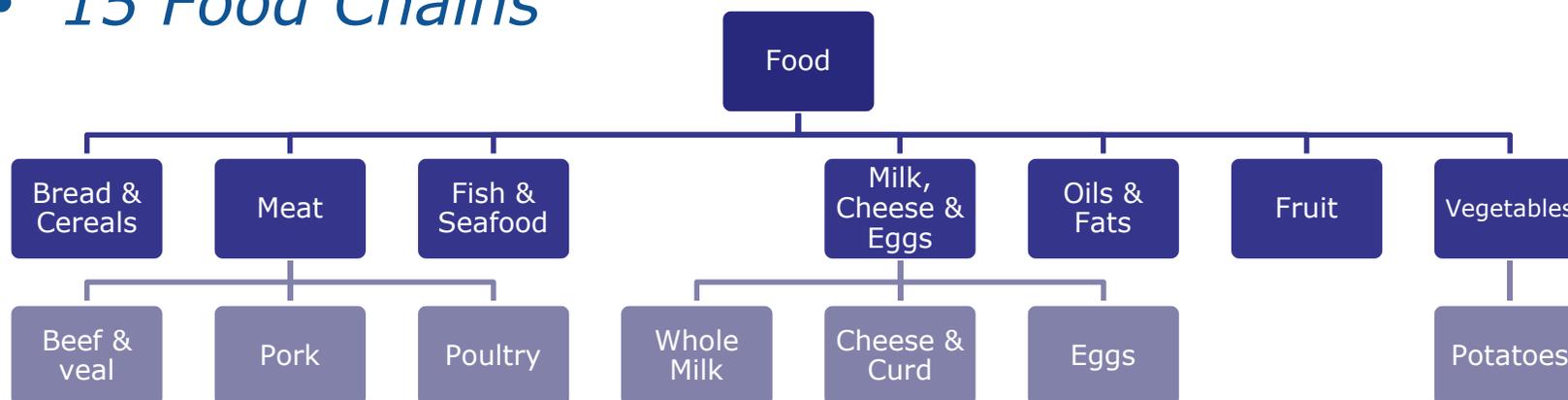
Decline in agricultural commodity prices did not imply lower food prices at producer and consumer levels?

Food prices indices by stage of the supply chain, EU, 2005=100



Current State

- *15 Food Chains*



- *Each stage: own classification*
- *Not all data available*
- *No absolute prices, no margins*

New Sugar Supply Chain?

- *Formerly chain "Sugar, jam, honey, chocolate and confectionary"*

Very heterogeneous -> deleted

- *Additional level at consumer price level: ECOICOP*



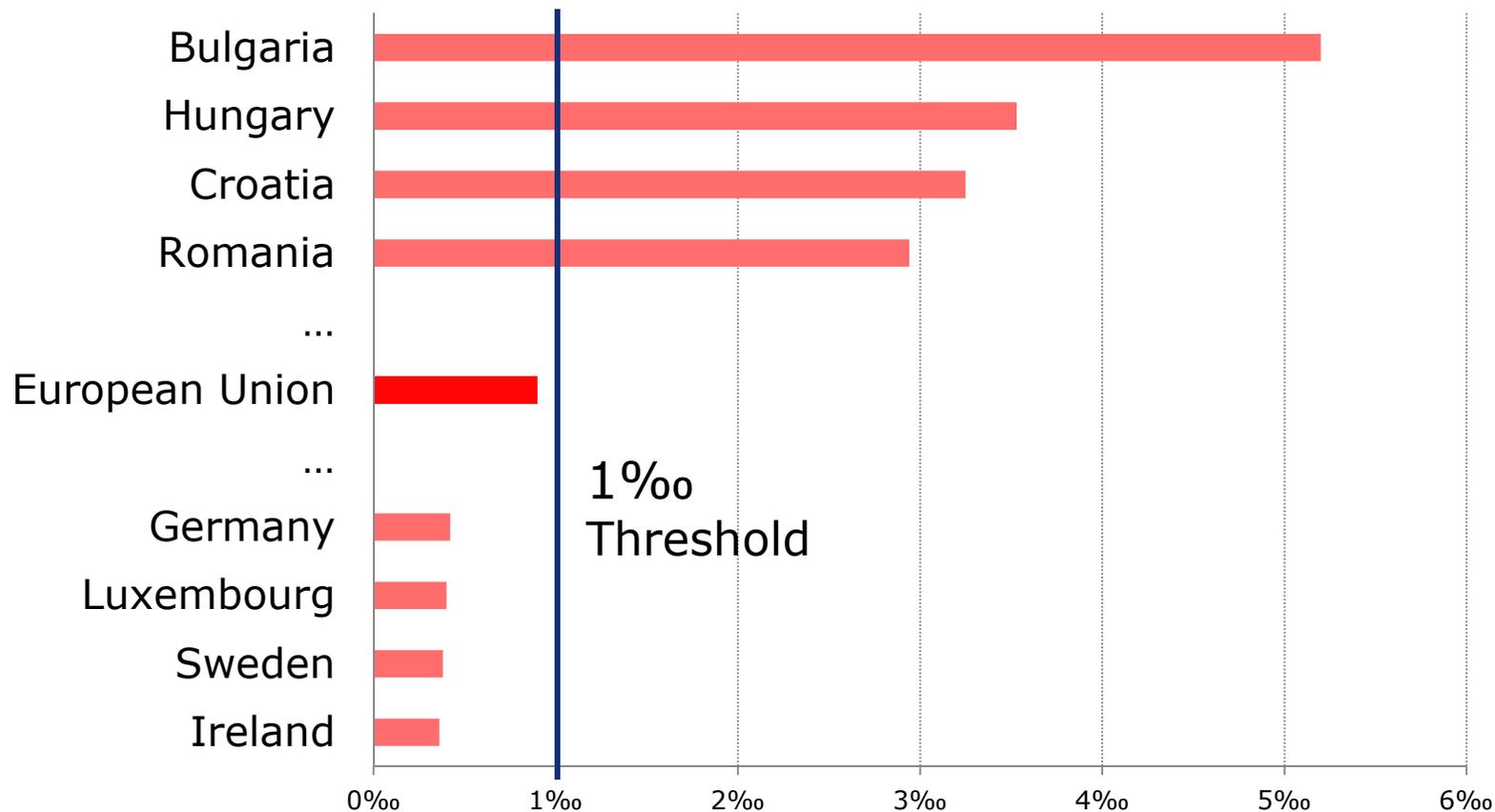
Inclusion of new supply chains?

Consumer Prices

- *New ECOICOP: "CP01181 Sugar"*
- *Includes: "cane or beet sugar, unrefined or refined, powdered, crystallized or in lumps"*
- *All Members States deliver the indices*
- *Most cases: few years of data*

Consumption of Sugar ranges from 0.4 to 5.2‰

Share of the total consumption, per country, 2016



Agricultural Commodity Prices

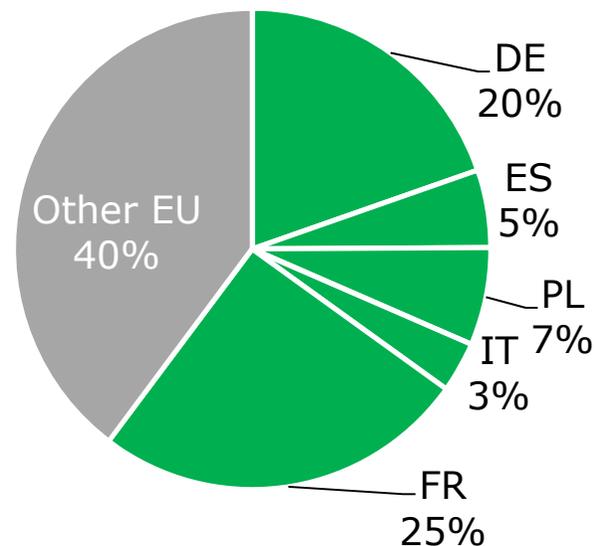
- *"024000 Sugar beet": main sugar-related crop in the Europe Union*
- *Data quarterly*
 - 8 countries: do not grow sugar beet
 - 14 countries: data 1 to 3 quarters/year
 - 5 countries: data all quarters but values repeated
 - 1 country: data all quarters with distinct values
- *If no data all quarters*
 - Series cannot be disaggregated into monthly
 - More difficult to analyse price transmission

Producer Prices

- "C1081 Manufacture of sugar". Long series
- Only BG, DE, ES, FR, IT and PL publish data

Top 5 countries -> 60% of production

Share of Sugar Manufacture in the EU, in value, 2015

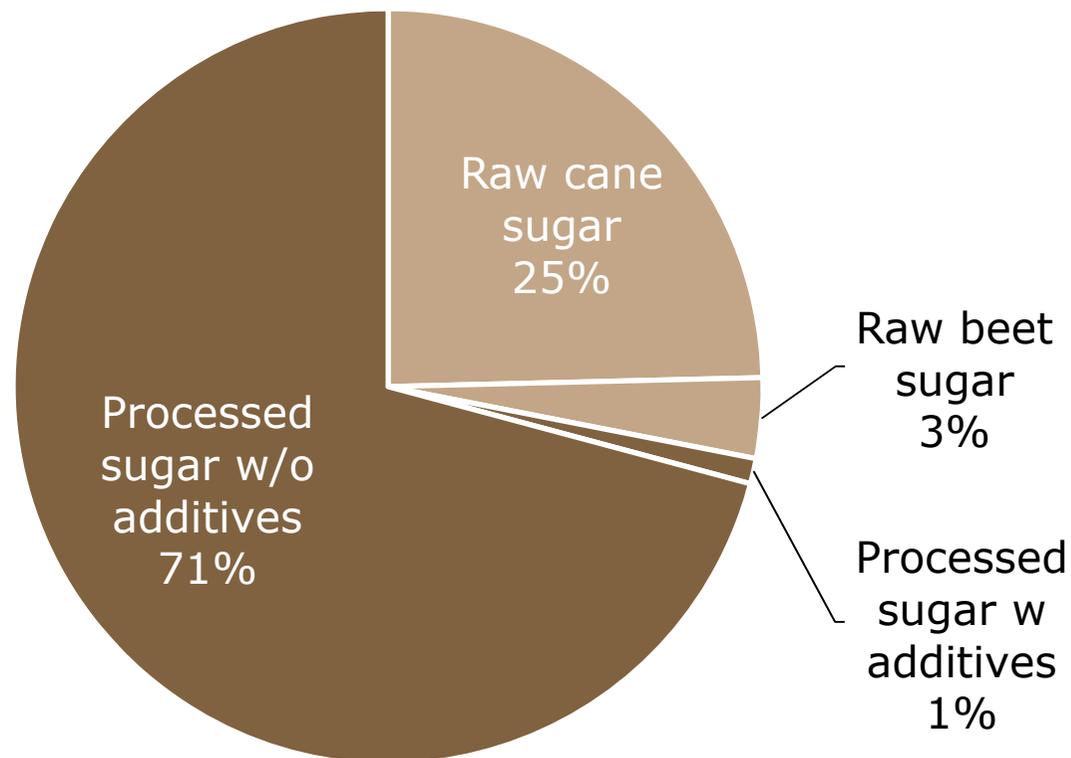


Import Prices

- *Unit values (not price indices)*
- *Full availability of data:*
 - *0611 - Raw Sugar*
 - 06111 – Cane sugar
 - 06112 – Beet sugar
 - *0612 - Processed Sugar*
 - 06121 – Processed Sugar w flavors or colorings
 - 06129 – Processed Sugar w/o flavors or colorings

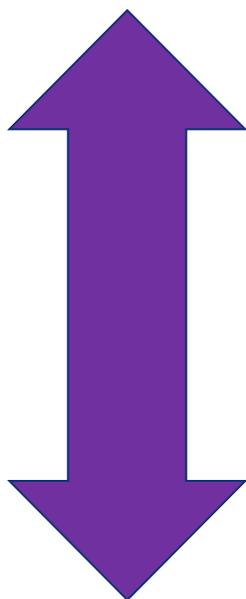
More processed sugar traded than raw sugar

Share of Sugar Trade (Intra and Extra) in the EU, in value, 2017



Sugar supply chains per country

More data



France

Spain

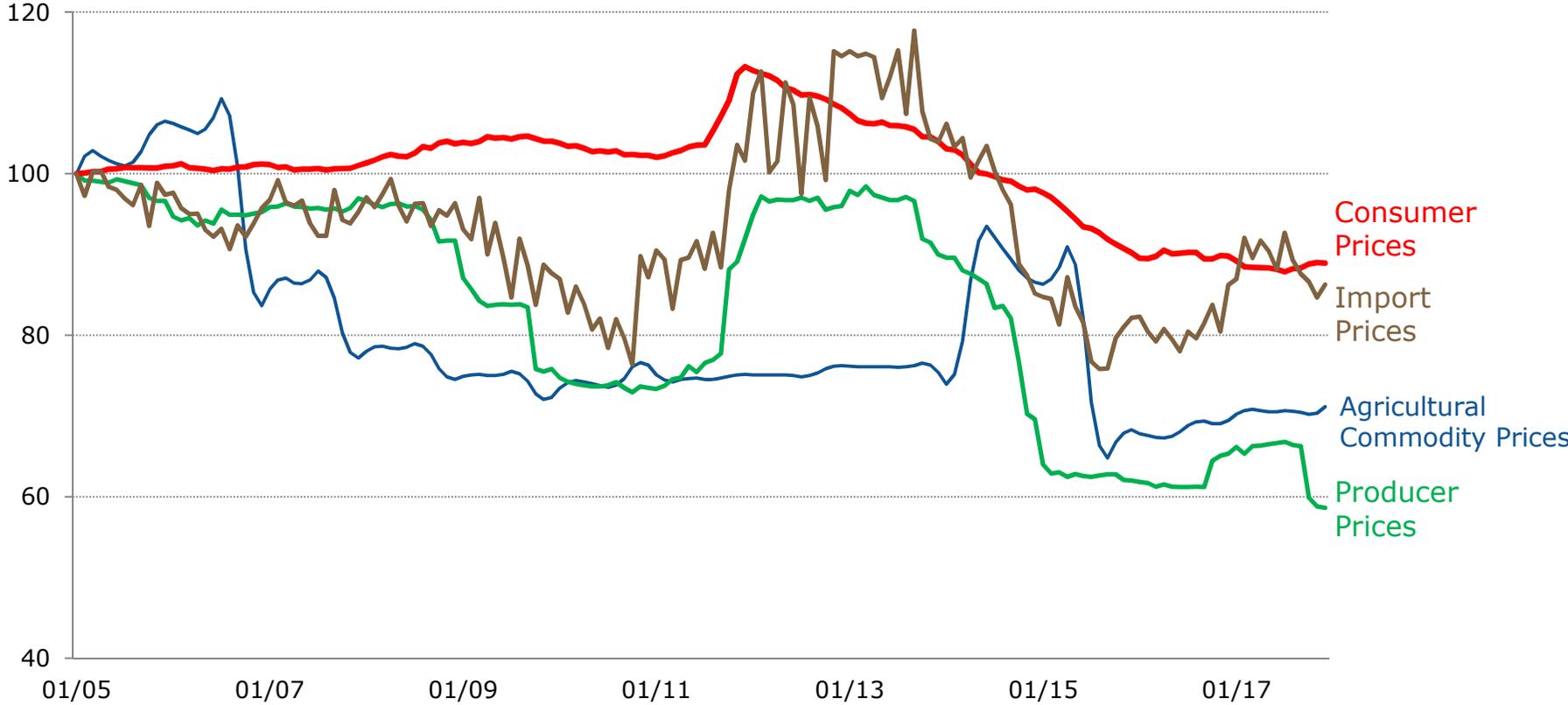
Poland

Latvia & Ireland

Less data

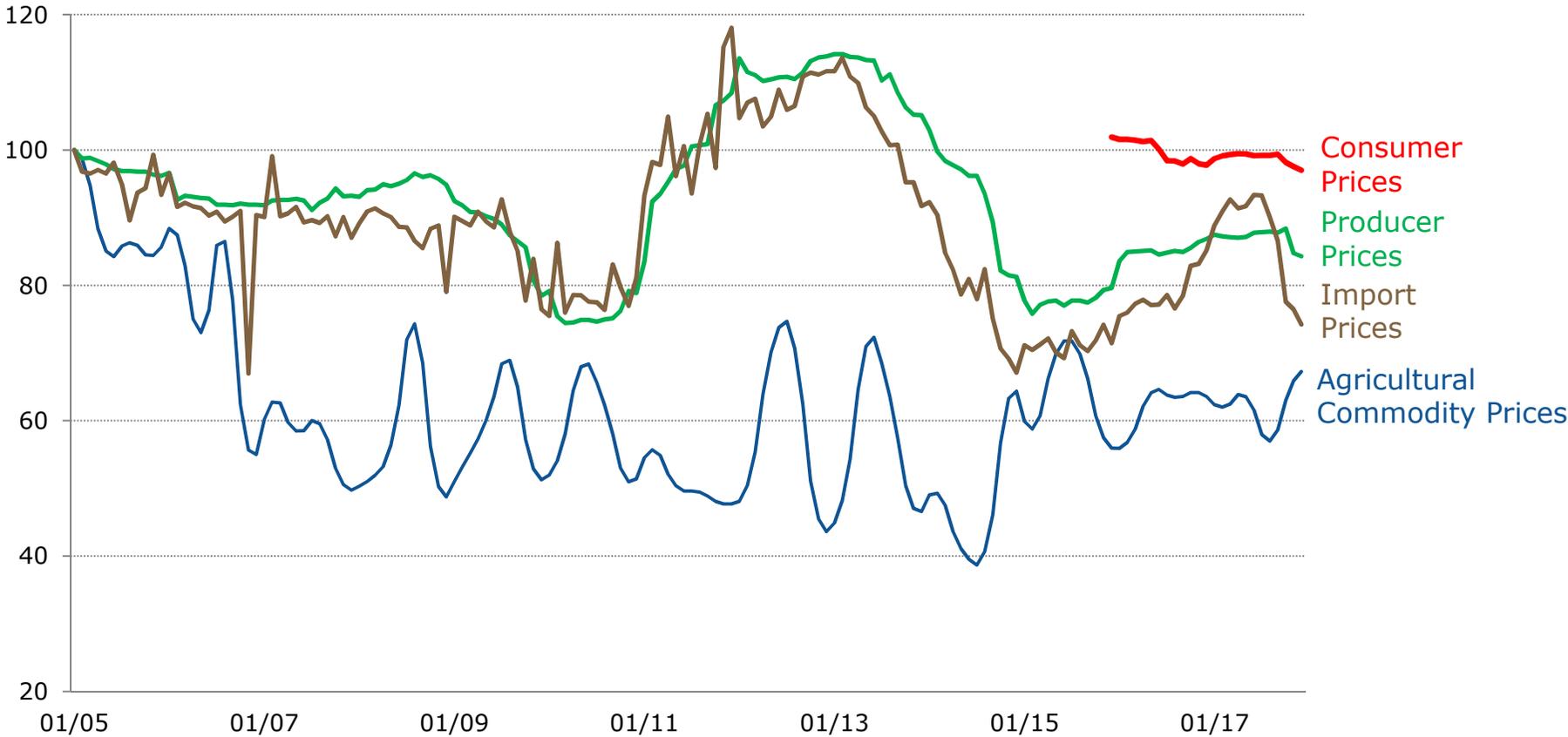
France: full availability of data

Sugar prices by stage of the supply chain, 2005M01=100



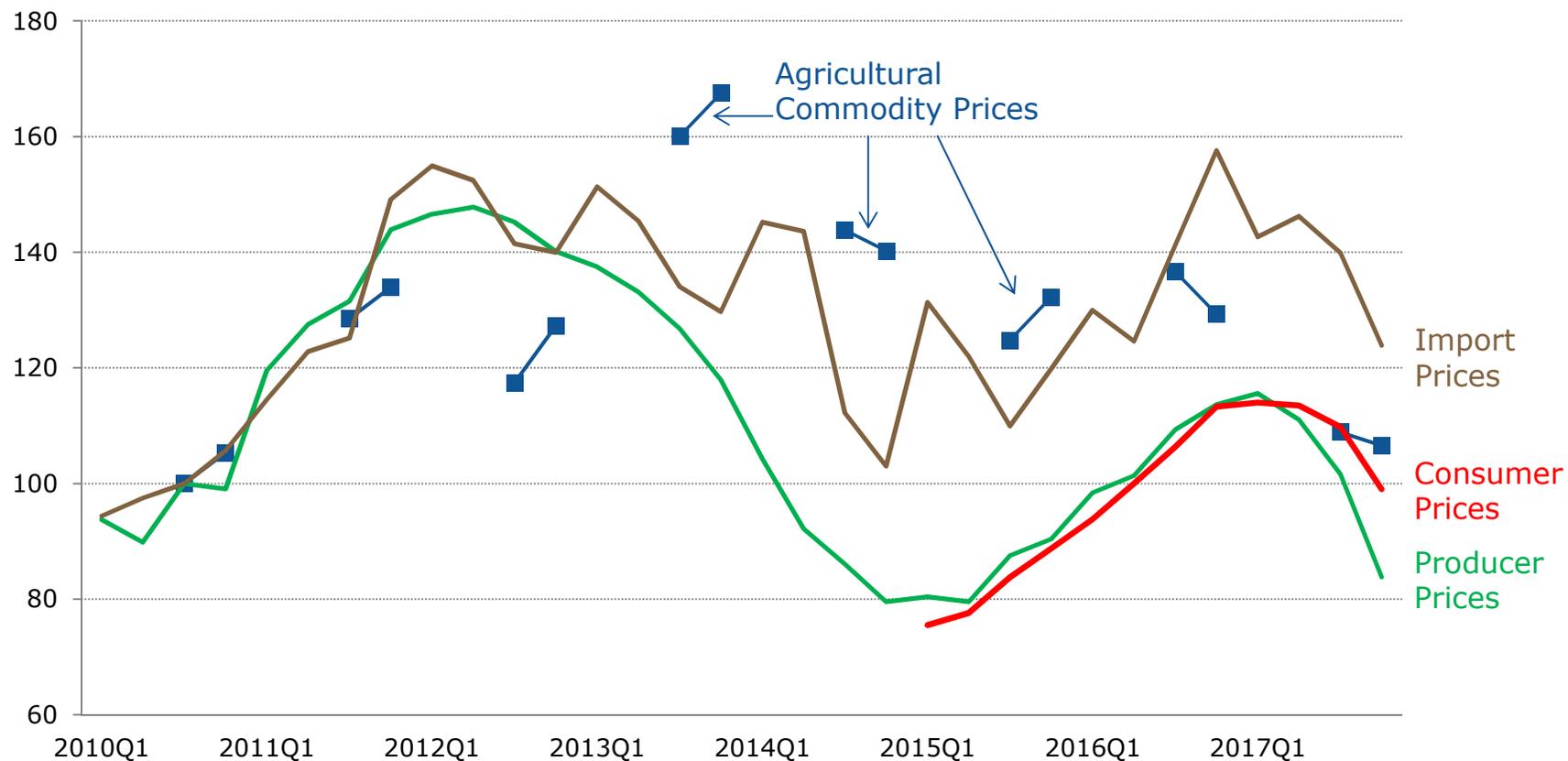
Spain: consumer prices since 2016

Sugar prices by stage of the supply chain, 2005M01*=100



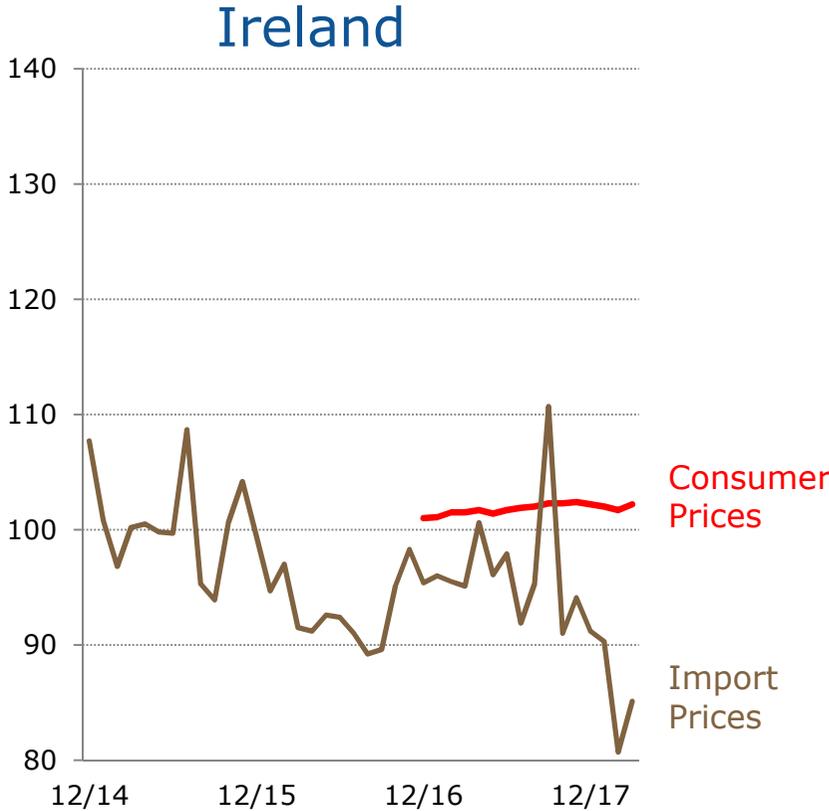
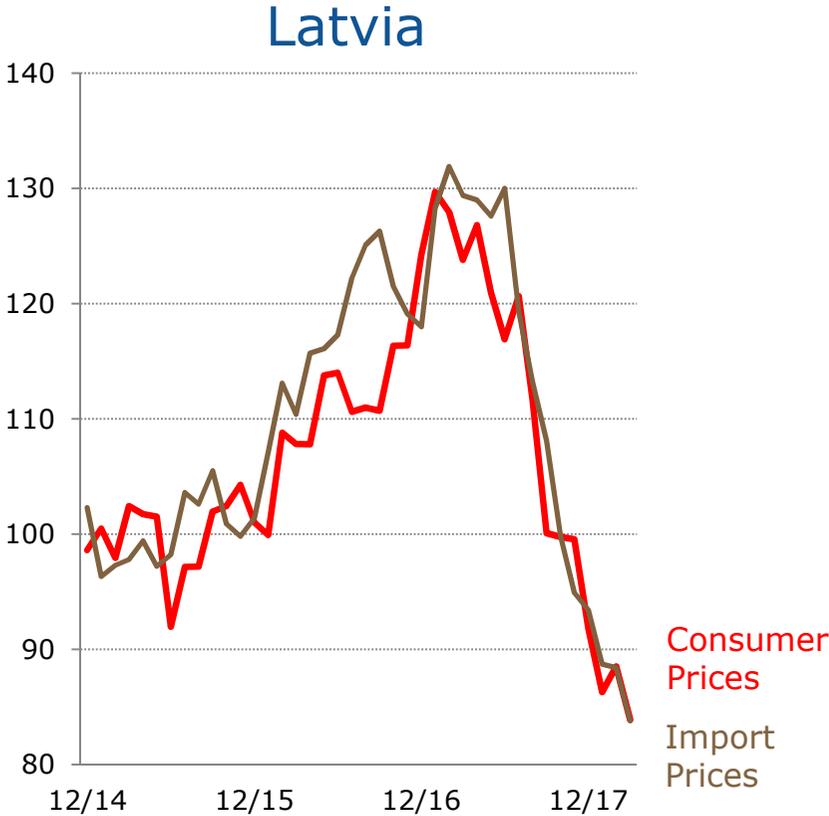
Poland: sugar beet only priced twice per year

Sugar prices by stage of the supply chain, 2012Q3*=100



Latvia and Ireland: only consumer and import prices

Sugar prices by stage of the supply chain, 2015=100



Conclusion

- *Possibility of including a Sugar chain with the ECOICOP*
- *Good correspondance accross classifications*
- *Two possible import prices: "processed" sugar seems more appropriate*
- *Not full availability of data:*
 - Heterogeneity accross countries



**Thank you for
your attention!!**

Open Debate