

Transparency of Food Pricing

TRANSFOP

Seventh Framework Programme
Grant Agreement No. KBBE-265601-4-TRANSFOP

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Professor Steve McCorriston (University of Exeter, UK)
Professor Stephan von Cramon-Taubadel
(University of Göttingen, Germany)



Structure of the Presentation

- Steve McCorriston (Consortium leader):project overview
- Stephan von Cramon-Taubadel :Dissemination strategy
- Audience: various DGs
- Stakeholder representatives:
 - UGAL (Union des Groupements de Détaillants Indépendants de l'Europe)
 - European Dairy Association
 - Eurocommerce
 - BEUC

Things to come back to:

- www.transfop.eu -Project website
- Project flyer
- Project newsletter
- The Consortium

The TRANSFOP Ambition

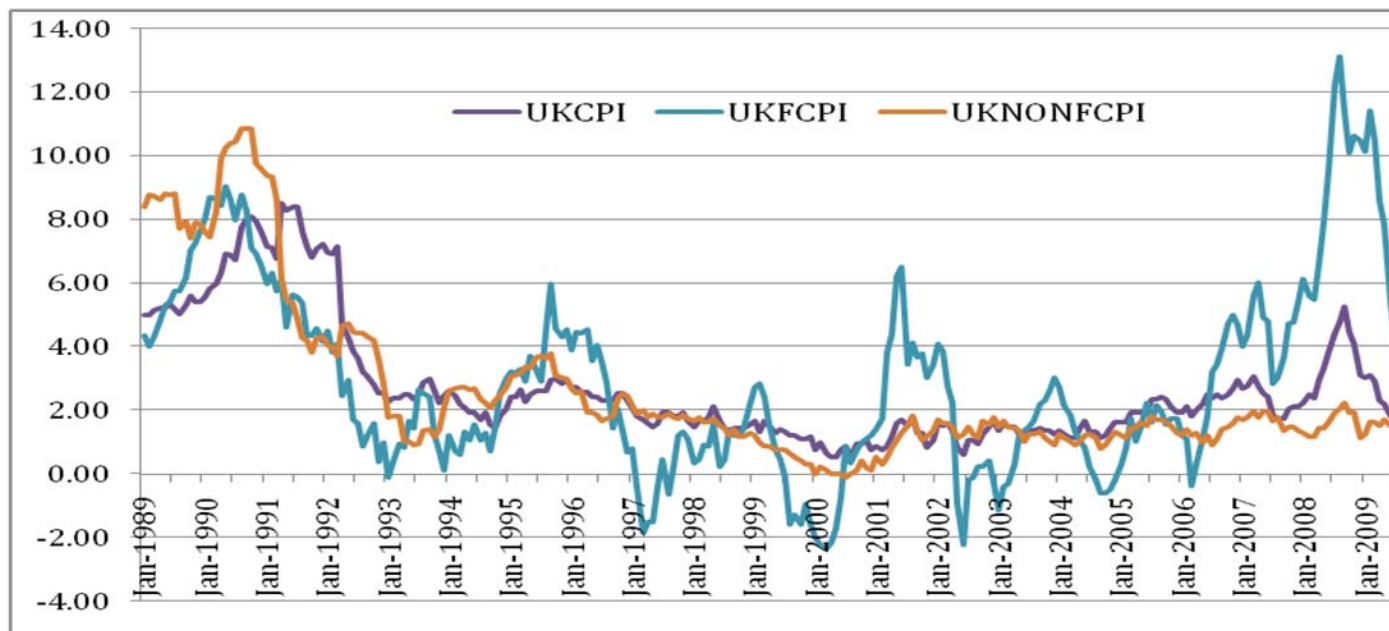
- To produce high-quality and policy-relevant research
- Using innovative methods and data
- Focussing on new issues (and traditional issues in new ways!)
- Engaging policymakers and stakeholders on the functioning of the food chain and how it relates to understanding pricing in food markets throughout the EU
- To do this by bringing together, established and leading researchers on food pricing issues into a unified Consortium

Overall Objective of TRANSFOP

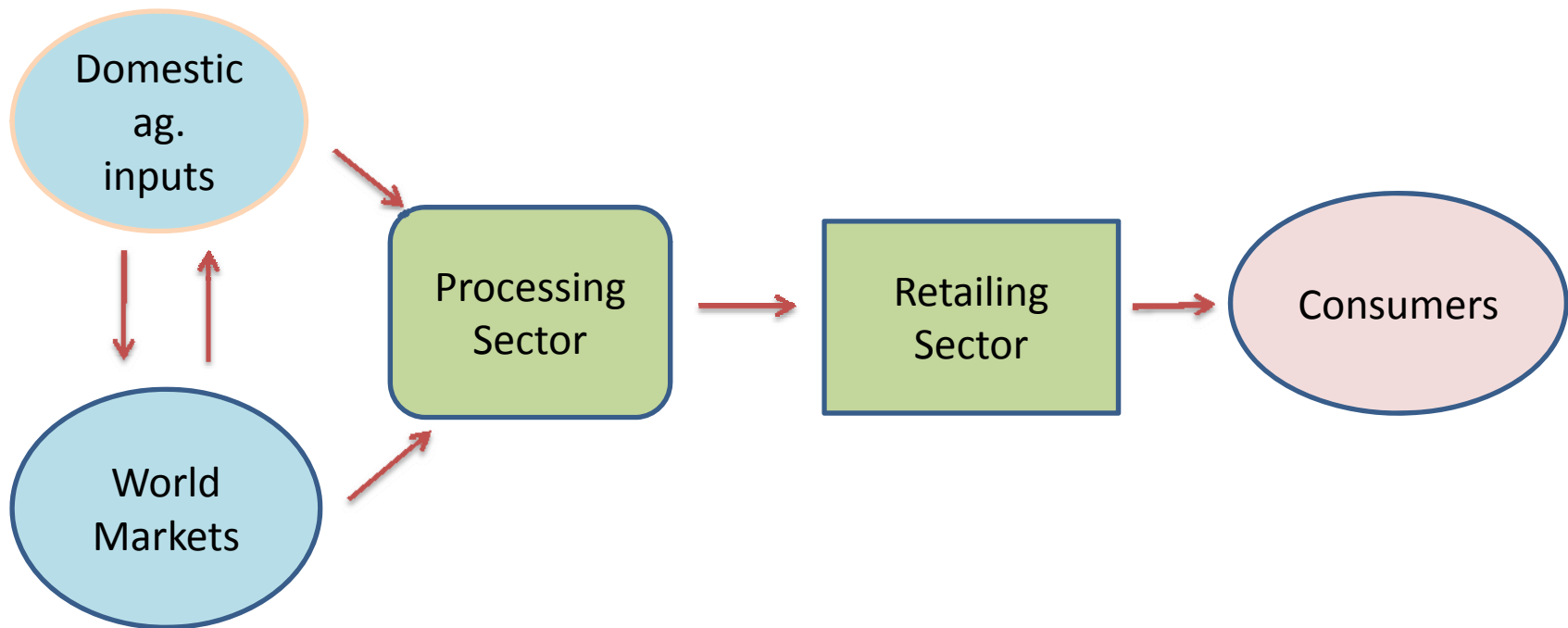
- “to develop a greater understanding of pricing issues in food supply chains throughout the EU regarding the mechanisms of price signal transmission and the determinants of food pricing”.

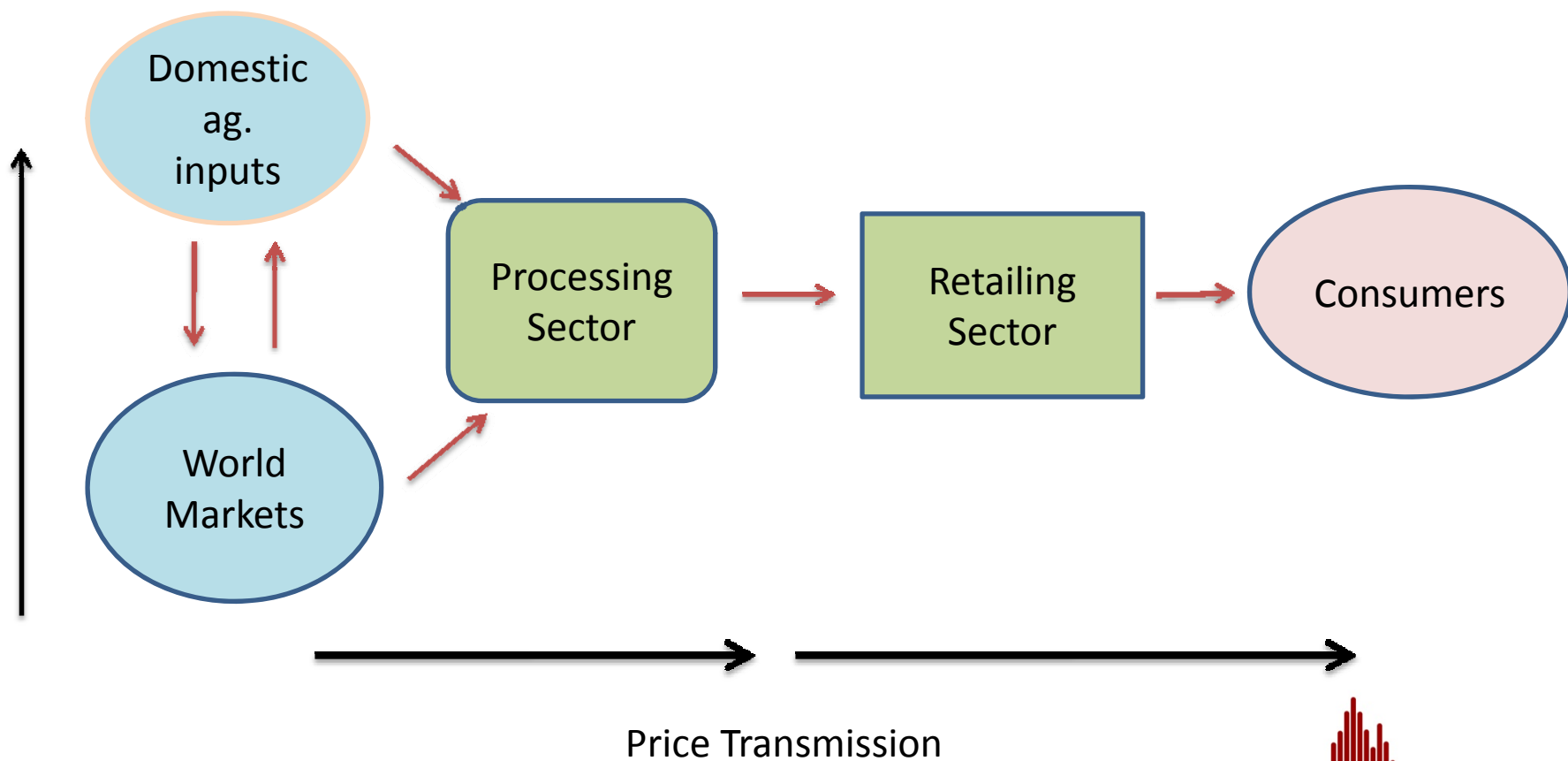
Background Motivation

Figure 1: Annual Inflation for All Goods, Food and Non-food CPI 1989(1)-2010(1) (%)



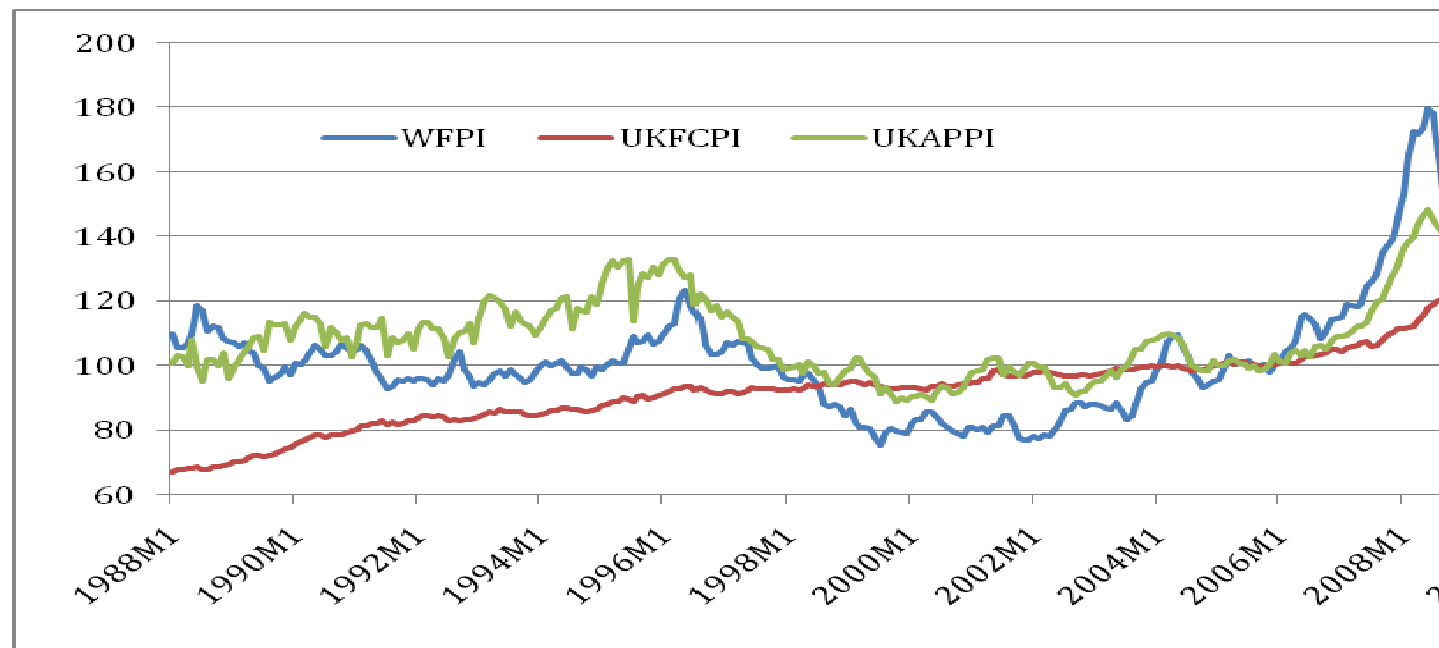
Source: (ONS)



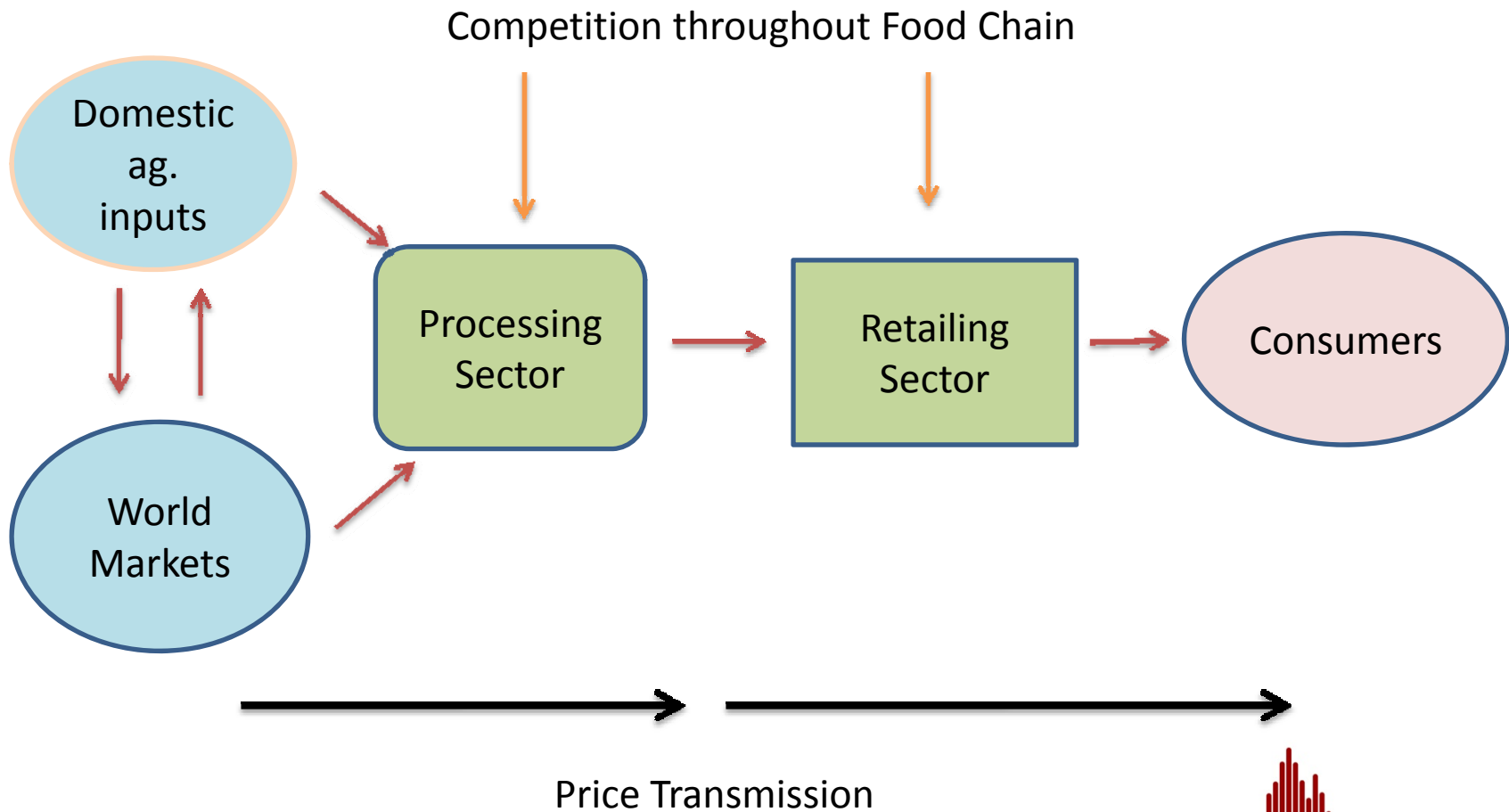


Price transmission and retail price dynamics

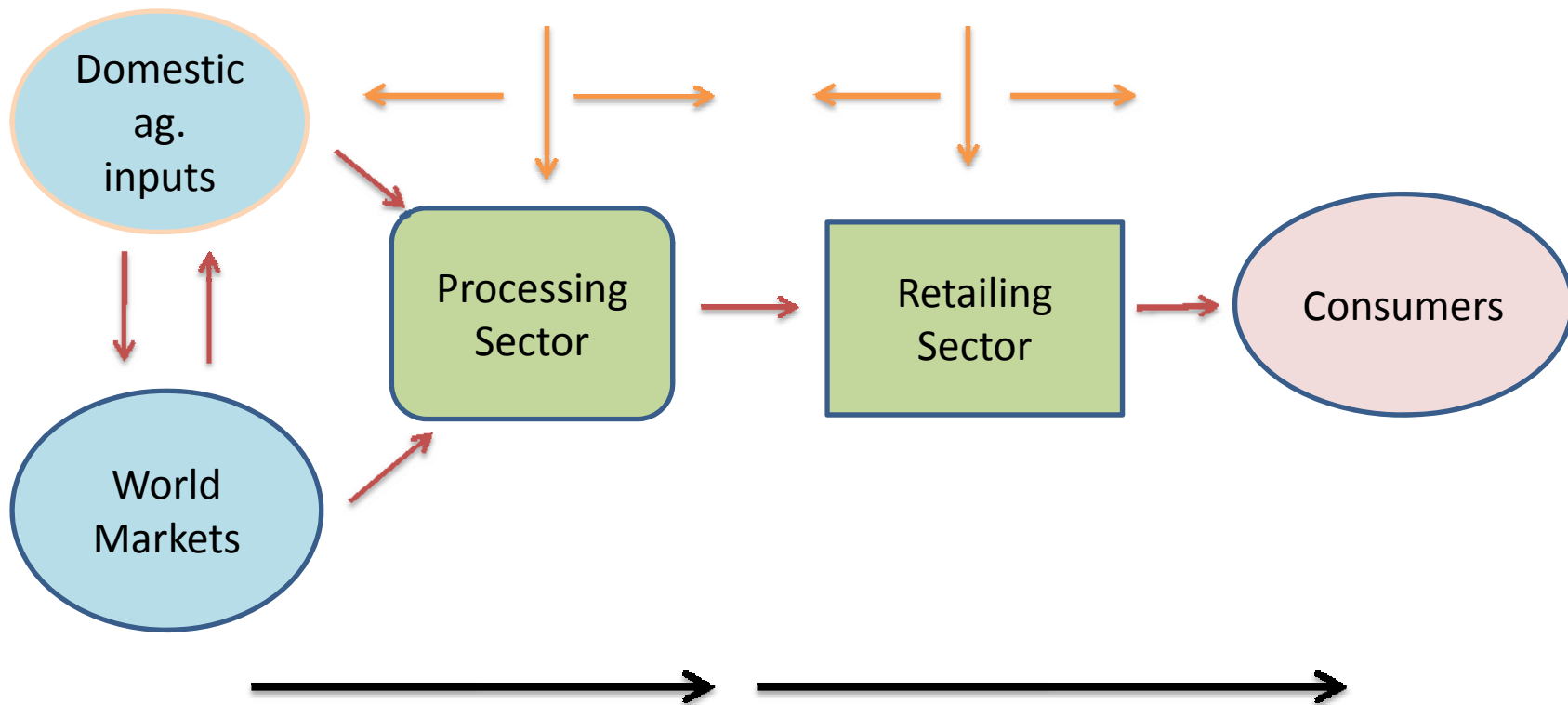
Figure 2: World Food Prices and UK Retail and Domestic Producer Prices



Source: IMF, ONS and DEFRA



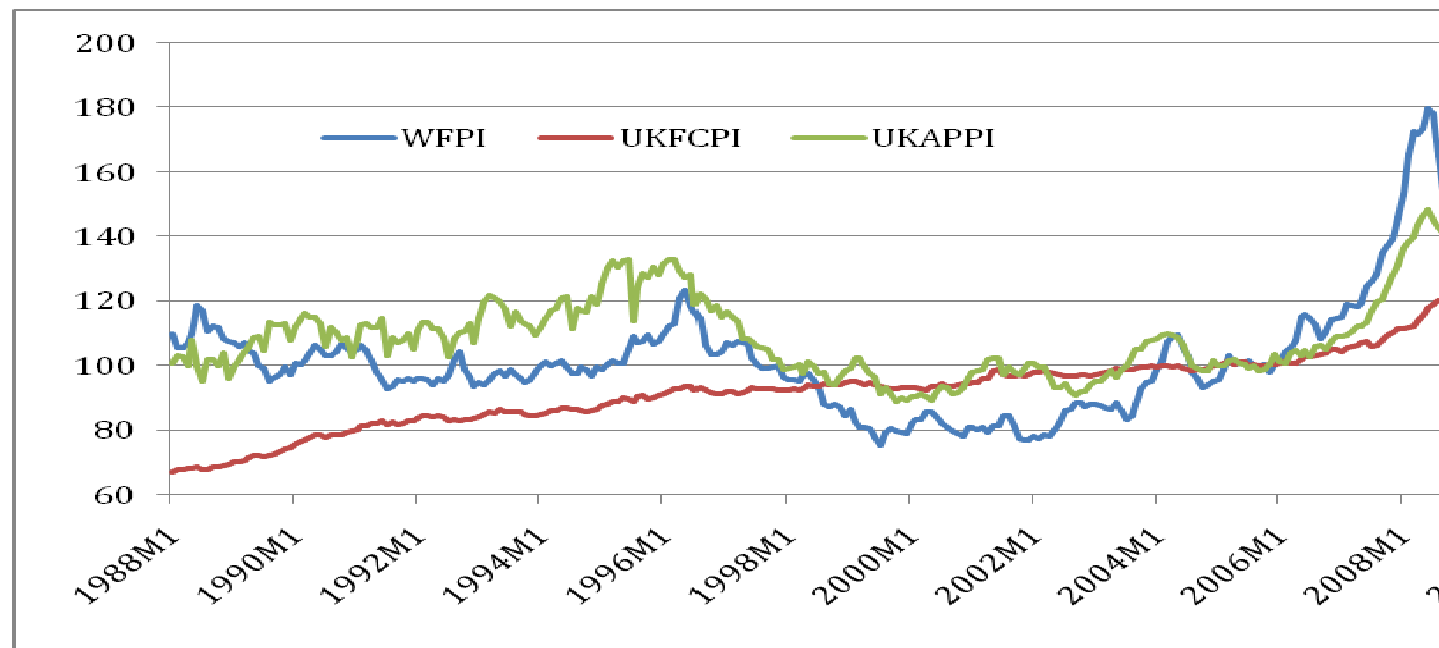
Competition and Regulation throughout Food Chain



Price Transmission

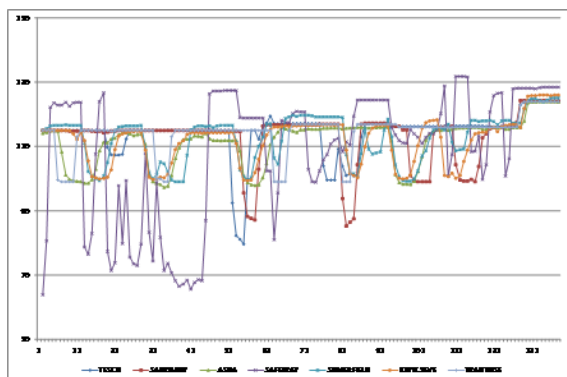
Price transmission and retail price dynamics

Figure 2: World Food Prices and UK Retail and Domestic Producer Prices

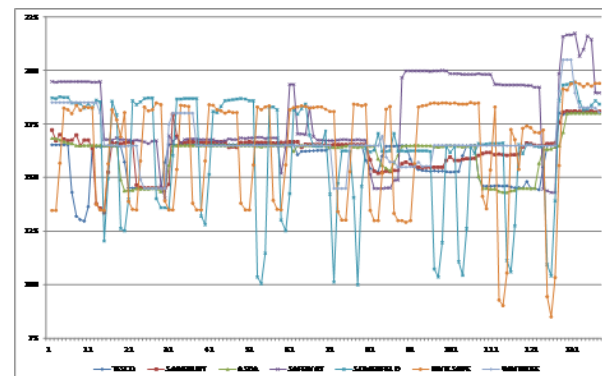


Source: IMF, ONS and DEFRA

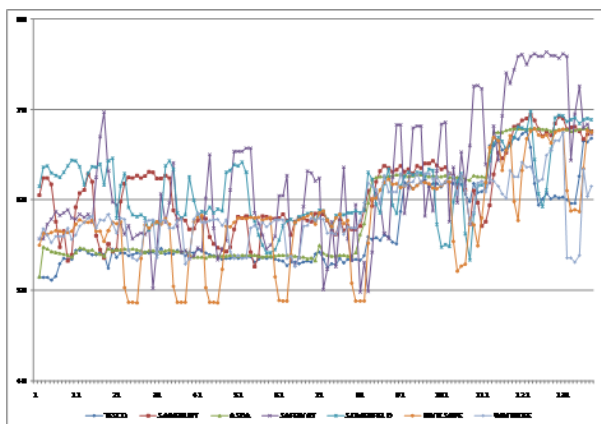
Breakfast Cereal: Weetabix Original 24s



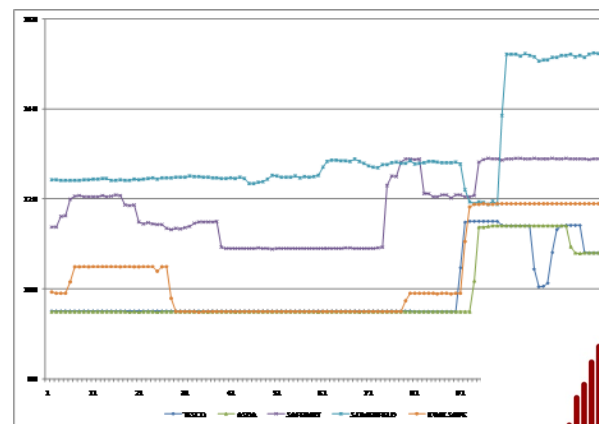
Yoghurt: Muller Light Pot Cheery Single 200g



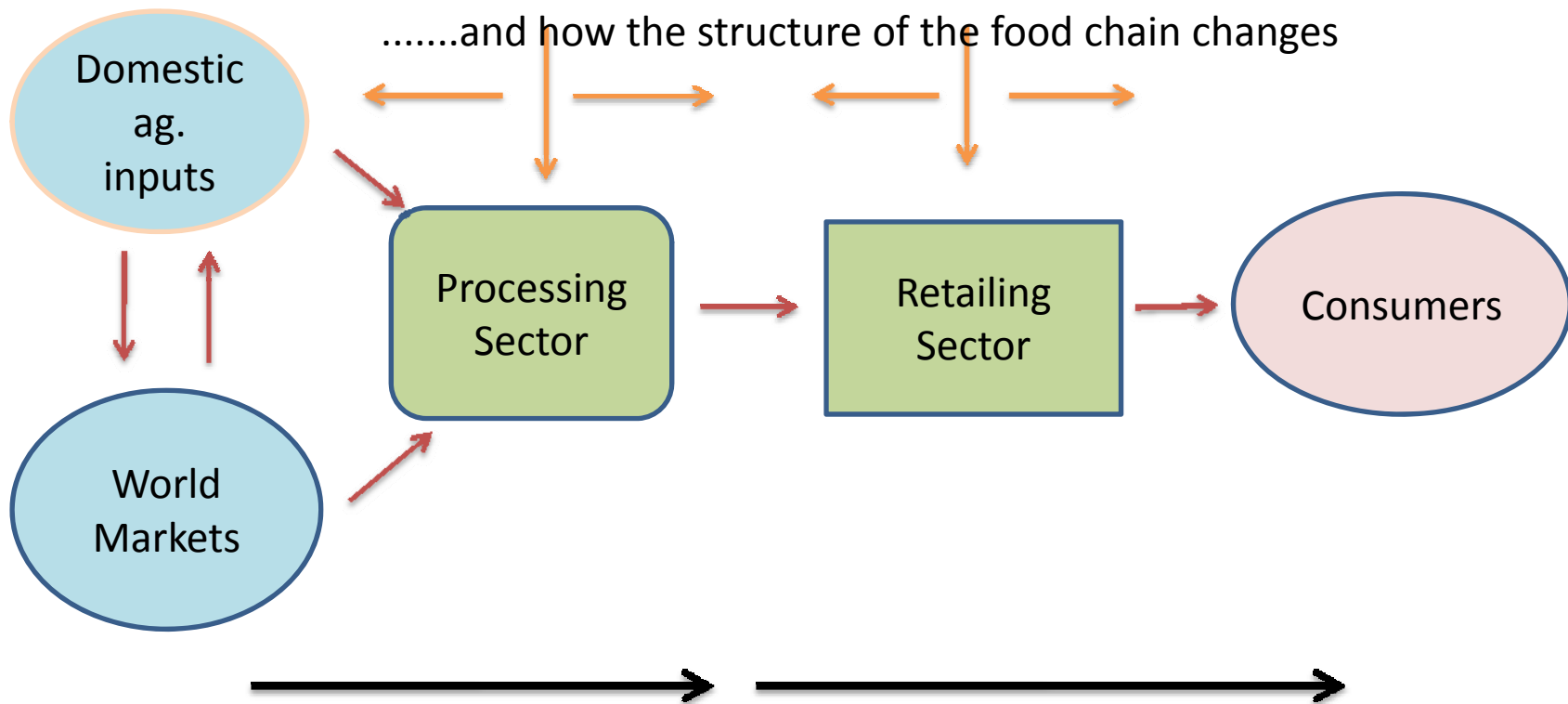
Sliced Bread: Kingsmill Medium Sliced White 800g



Jam: Streamline Strawberry 400g Jar

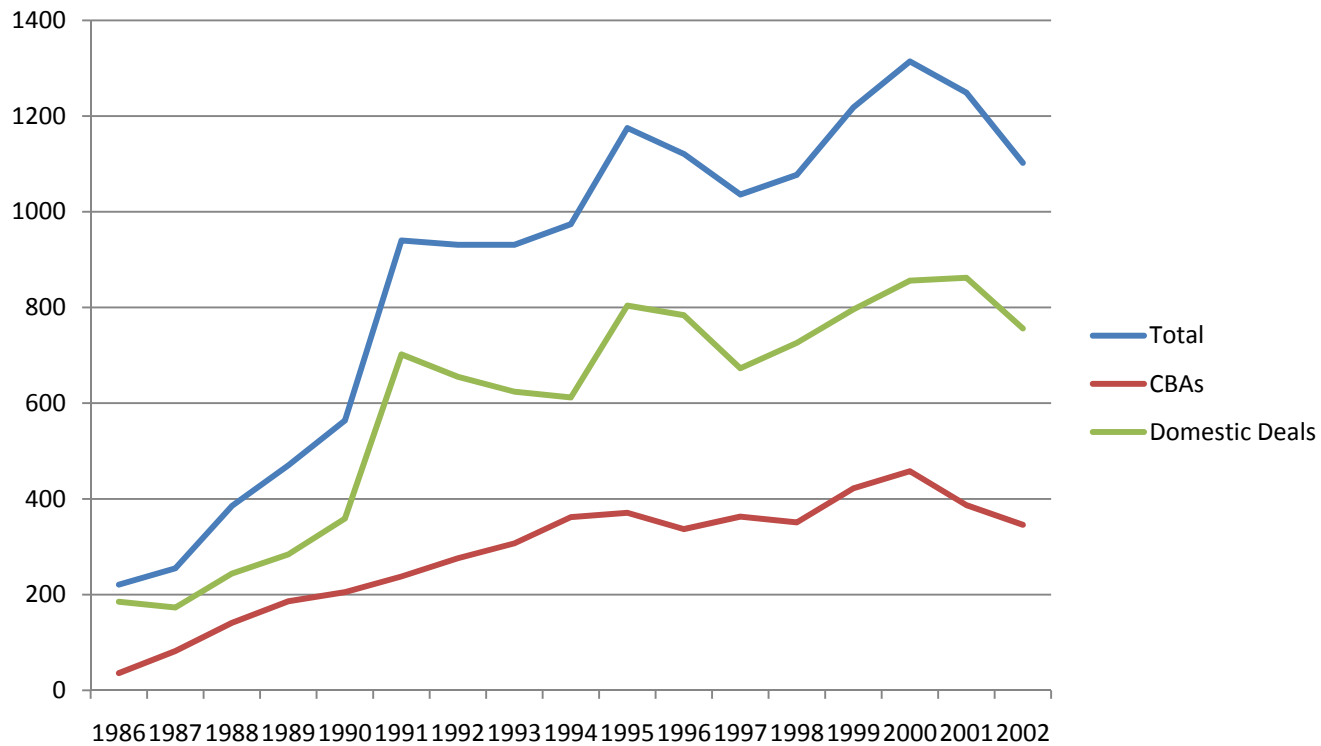


Competition and Regulation throughout Food Chainand how the structure of the food chain changes



Price Transmission

M&As in the Global Food Sector (number of deals)

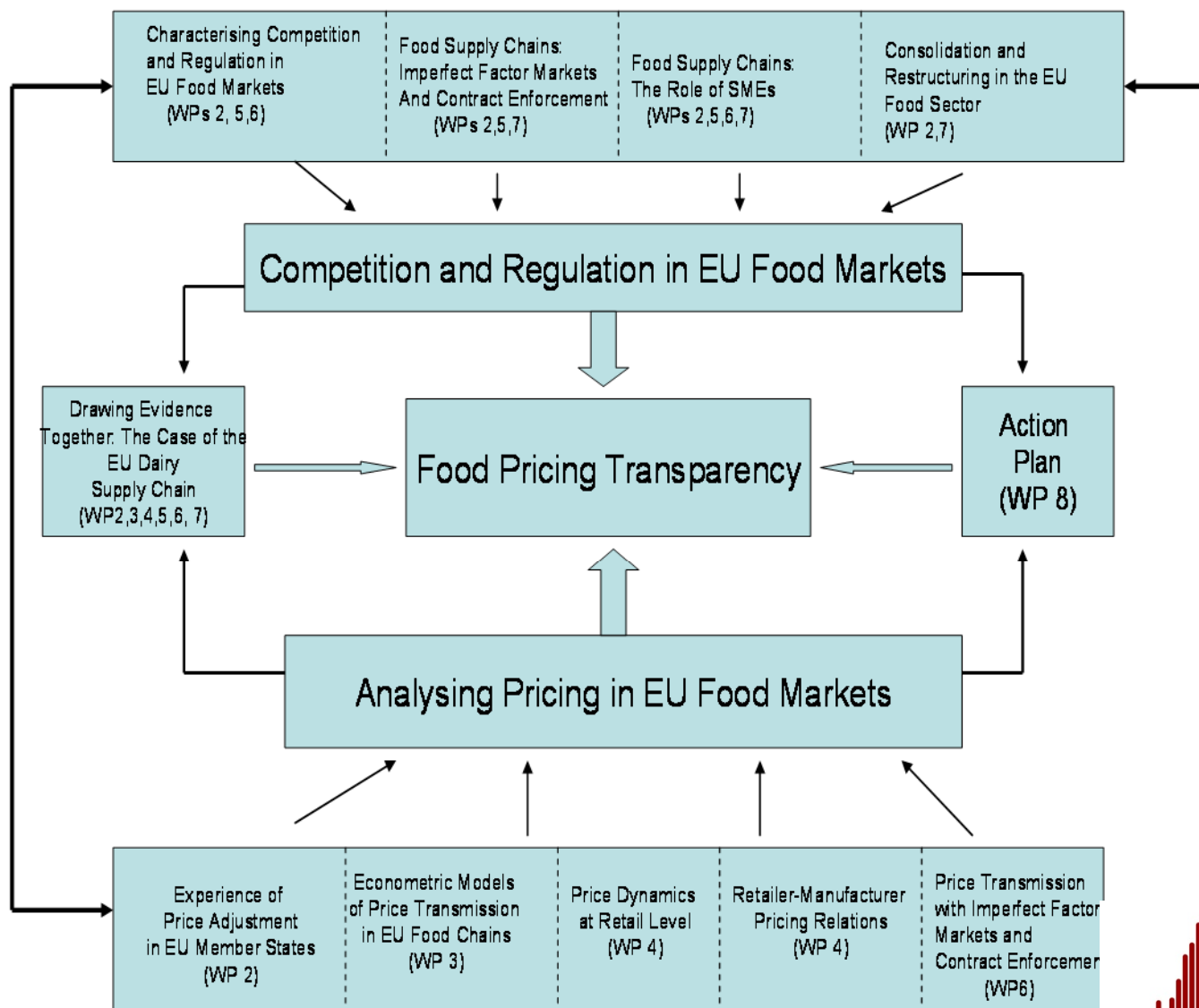


Specific Objectives

- To analyze the principal determinants of horizontal and vertical food price transmission. Specifically:
 - (i) to address the **determinants of horizontal price transmission** from world commodity markets to domestic markets in the EU where the commodities/products are at the same stage of production (e.g. raw agricultural prices); and
 - (ii) to address the **determinants of vertical price transmission** as commodities pass-through domestic food chains through to the retail sector.

- To identify the specific characteristics of the food chain that influence price transmission.
- To address how the characteristics of the food chain vary across EU Member States and how these characteristics may have contributed to the disparate experience across the EU.
- To investigate the changing nature of the food chain across the EU which may give rise to a more common experience of the transmission of food prices across the EU.

- To highlight the aspects of the functioning of the food chain that give rise to concern when addressing these food price changes.
- To identify pressures which are likely to arise in improving or diminishing the functioning of the food sector across the EU.



Dissemination (1)

Purpose

To engage in dialog and share and refine results with:

- stakeholders in the food chain,
- the research community,
- the policy-making community, and
- citizens in general

Dissemination (2)

Tools:

- communication team (Stephan von Cramon Taubadel, Steve McCorriston and WP leaders)
- Dissemination Strategy
- Products

Dissemination (3)

Products

1. Flyer
2. www.transfop.eu
3. Newsletter
4. Working papers
5. Policy briefs
6. Action plan
7. Journal publications
8. Scientific conferences
9. Workshops
10. Engagement with media

Thank you for your attention!