

Lessons from TRANSFOP extend to US

This summer, the TRANSFOP project extended its reach with TRANSFOP colleagues presenting research at the American Association of Agricultural Economists' meeting in Washington DC in the format of a special session on the food price experience in the EU. Presentations included the work on modelling food price inflation (the Exeter/Nottingham team), econometric analysis of price transmission (the CREDA/Göttingen team), measuring inflation with scanner data (the UNICATT team), and a theoretical analysis of price transmission in the presence of markets failure (researchers from Leuven). Stephen von Cramon-Taubadel from Göttingen provided an insights into merging policy issues and Professor Barry Goodwin from North Carolina State University (USA) provided a North American perspective on the research methodologies that were being applied to the issue of price transparency throughout the EU.

The TRANSFOP session was well attended and attracted an audience of researchers from the EU and the US (and beyond). Aside from the research issues involved, perhaps it is of no surprise that the issues of food prices is topical in the US. While the TRANSFOP project was predicated on the functioning of the food chain throughout the EU, these issues are also increasingly pertinent for policy makers in the US where the concerns mirror those currently being addressed by policy makers and researchers in Europe. There are two indicators of this. First, in 2009, the US General Accounting Office (GAO) published a report detailing the extent of competition in US food chains and how they may be expected to impact on price transmission. As with the concerns with TRANSFOP, this GAO report was on the back of the 2007-2008 commodity price spike.

Perhaps a more revealing aspect of the concerns about the food chain has been the workshops and public meetings held throughout the US sponsored by the anti-trust division of the US Department of Justice and summarised in a recent report (see www.justice.gov/atr/public/workshops/ag2010/). Under the theme "competition and agriculture", these workshops were attended by policy makers, farmers, consumers, academics and other stakeholders where views were expressed about the overall functioning of the food chain. Public interest about the challenges facing the food sector were extensive: one of the public workshops was attended by over 1,700 delegates! There were also more than 18,000 written submissions from farmers, trade associations, consumers and academics. While intended to directly address how competition impacts on various stages throughout the supply chain and thereby informing the anti-trust and USDA officials about concerns relating to competition, some of the issues addressed related to "fairness", an issue that is outside the direct remit of competition policy. In addition, concerns about buyer power also emerged, an issue that is highly pertinent throughout the EU at present given the growing concentration in food processing and retail markets.

The issues on the functioning of the food supply chain are therefore not unique to Europe and the presentation of TRANSFOP research in Washington this summer highlights the international significance of the research being conducted by TRANSFOP researchers.

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