



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate L. Economic analysis, perspectives and evaluations
L.4. Evaluation of measures applicable to agriculture; studies

Brussels, 25/08/2011 905838

AGRI L.4/TL D (2011) / 983567

D87\DF1\Price Transmission Q&A 1

Subject: Request for additional information related to the Open Call for Tender "Study on price transmission in the sugar sector ". Tender N° AGRI-2011-EVAL-03

Dear Madam, Dear Sir,

Please find enclosed the answers of the European Commission to the questions raised by a potential tenderer.

In view of improving the quality of the tenders and to ensure that all additional information is evenly distributed amongst the participants in the tendering process, this letter will be made available to all interested parties.

QUESTION 1:

First set of questions on the ex-factory prices to be provided by the European Commission to the contractor:

- a) On page 12 of the tender specifications it is written that data are aggregated to EU level for confidentiality issues. However, since the aggregated data is available without restrictions on the Circa website, we assume the data which will be provided to the contractor at the kick-off meeting will be member state specific, is that correct?
- b) The specifications ask for an analysis covering the pre-reform period, preferably beginning in 2000. However, the mandatory submission of ex-factory prices only began as of 2006. Does the data provided to the contractor contain data from the pre-reform period? If so, does it go back to 2000? Will this data be provided at the same level of disaggregation as the one from the post-reform period?
- c) Is the data provided on a firm or factory level?
- d) Does the data distinguish between beet sugar and refined cane sugar?
- e) The Circa website also publishes monthly averages of imported raw sugar from ACP countries. Will this data be provided to the contractor on a member state or importing firm base?

ANSWER 1:

- a) Yes, this data will be Member State specific. Please note that the use of these data will be subject to the signature of a confidentiality agreement (See Terms of Reference, Annex 4).
- b) No, the data does not contain information from the pre-reform period
- c) The data will not be provided at firm or factory level
- d) The data do not distinguish between beet sugar and refined cane sugar

e) No, the only information that will be provided to the contractor is the information listed in Annex 1 and 2 of the Terms of Reference. However, please note that the use of the information listed in Annex 1 will be subject to the signature of the confidentiality agreement listed in Annex 4.

QUESTION 2:

Annex 3 of the tender specifications lists data for prices of out-of-quota beets as available from CIBE. However, these data are actually not available from CIBE and data on beet prices available from Eurostat do not distinguish between in-quota and out-of-quota beet.

- a) Is the assumption correct that it is up to the contractor to collect this data from national sources?
- b) Furthermore, since price transmission between beet growers and processors is not in the focus of the study, is it up to the tenderer to decide whether it is worthwhile collecting and analyzing this data in the first place?

ANSWER 2:

- a) Yes, it is up to the contractor to collect the data and information deemed necessary to carry out its work. (See Terms of Reference section 2.4.2- task 2.1)
- b) It is indeed up to the tenderer to identify the data sources needed to carry out the study and address the key questions. (See Terms of Reference section 2.4.1-task 1.1) However, please note that the analysis of the relationship between beet price and sugar price is part of the study.

QUESTION 3:

In the tender specification it is mentioned several times that the analysis of price transmission from producers to final consumers should take into account intermediate stages for sugar as well as for sugar containing products. Eurostat only provides data for the aggregate of sugar and sugar containing products. Furthermore, Eurostat data do not cover all member states over the entire period of analysis. Regarding the possibility of collection of appropriate data by the contractor, agents in these intermediate stages of the food chain, i.e. manufacturers of sugar containing products, will most certainly be very reluctant to give away information on prices which they charge to retailers or, if applicable, to distributors. Is the assumption correct that it is up to the tenderer to elaborate a convincing approach of how to incorporate intermediate stages in this analysis?

ANSWER 3:

Yes, it is up to the tenderer to elaborate a convincing approach of how to incorporate intermediate stages in this analysis. (See Terms of Reference sections 2.1.4 and 2.4.1-task 1.2)

QUESTION 4:

In the tender specification it is mentioned that the study should be based on analyses for the EU on aggregate as well as for each member state. However, only 19 out of 27 MS still produce sugar. Furthermore, many of the sugar producing member states import a large share of their domestic consumption from other MS. Even the MS which are self-sufficient or surplus producers are importers of significant quantities of sugar from other MS. Finally, it is questionable whether getting hold of and analyzing retail prices in each MS regardless of its size is of sufficient value added to justify the additional efforts and costs. We assume that it is up to the tenderer to decide upon a reasonable approach here, correct?

ANSWER 4:

Yes, it is up to the tenderer to decide upon the approach, but the study has to include an analysis at MS level. (See Terms of Reference section 2.1.2)

Please note that any information, questions or observations, of whatever kind, contained in this correspondence can in no way be regarded as a commitment on the part of the Commission. No binding commitment will be entered into until after completion of the procurement procedure, with the signing of the relevant contract.

[signed]

Leo MAIER
Head of Unit