

WHO DETERMINES THE COST OF FOOD?

Terms of Reference to carry out a cross-country study on how food prices are being affected by short- and long-term government policies and actions by other major economic actors.

I. Introduction

Eat4Change is a WWF-led, international project co-funded by the European Union, pushing for a shift toward more sustainable diets and food production practices. Eat4Change strives to engage citizens, and particularly the youth (15-35 year olds), to take an active role in society and support a shift towards more plant-based diets for the wellbeing of people and the planet.

In the scope of this project, the WWF-UK and WWF-European Policy Office are currently seeking support from a consulting company or research institute to perform an explorative study that will shed new light on how government policies and actions by other major economic actors, notably investors and retailers, could be affecting food prices and thus mitigating or contributing to the rising cost of living.

II. Content of the study

The study will assess and compare the situation in at least 5 countries (necessarily including Argentina and the UK), as well as the impact of policies adopted by the European Union itself. The additional countries to be covered are to be selected from those where the Eat4Change project partners are located, namely: Austria, Belgium, Brazil, Estonia, Finland, France, Greece, Portugal and Sweden. Ideally, the assessment will cover countries with contrasted situations in terms of rates of inflation or types of measures adopted. The final list of countries will be agreed between the contractee and WWF at the start of the project.

The analysis will focus primarily on short-term actions (e.g. interventions to lower the cost of farm inputs to address the immediate consequences of the war in Ukraine, direct support to vulnerable groups) but should also consider long-term structural policies and actions by governments (e.g., subsidies and investment support to specific sectors, reduced VAT on certain foods). The impacts of powerful economic actors such as investors (including market speculation) and retailers (e.g., promotion strategies, foods with higher margins), should also be assessed.

Rather than on theoretical assumptions, the assessment will be based on empirical evidence and case studies to the largest extent possible, which may be gathered directly or from grey and scientific literature. Whenever possible, the assessment should evaluate the size and duration of the measures (e.g., budget allocated to them, avoided costs) as well as whether their impact can be considered negligible or is effectively affecting the prices of food.

The main purpose of the analysis is to ascertain whether there is sufficient evidence suggesting that the impact of these policies and actions in one or several of the assessed countries is significantly different for certain food groups. Comparisons between plant-sourced and animal-sourced foods, between fresh and highly processed foods, and between sustainability and/or quality assurance labelled (e.g., organic farming, fair trade) and unlabelled foods are particularly welcome.

Additionally, the comparison between countries should focus on exploring the foreseeable impact of the measures from a climate and environmental perspective and identify any emerging best practices (e.g., farm support that avoids triggering a higher demand of fossil fuel or feed use). The conclusions should not only include recommendations for policy makers and major economic actors, but also any challenges related to the data available and suggestions on how to better assess the impact of such policies on food prices and the environment.

III. Deliverables, deadlines and budget

September 2022: selection of consultant, signature of contract, agreement on geographical scope and analytical approach.

Beginning of October 2022: Start of the work

End of October 2022: Final proposal of topics and cases to focus the analysis on (Deliverable 1).

End of December 2022: Partial draft of study for feedback from WWF (Deliverable 2).

End of February 2023: Full draft of study for further feedback from WWF (Deliverable 3).

End of April 2023: Final study completed (Deliverable 4).

It is estimated that the costs to develop the work planned could be between €40,000 and €60,000 (VAT included), depending on the degree of complexity of the analysis.

If the evidence collected suggests that the assessed policies and actions are apparently affecting food prices differently and thus putting some types of healthier or more sustainable foods at a competitive disadvantage, WWF may consider a second phase for this study. The objectives of the second phase would be to carry out more in-depth research, fully ascertain these effects and better assess the environmental impact of the measures. This would allow to establish more robust conclusions, including on the policy action at the EU and national level that could be recommended.

IV. Roles and responsibilities

WWF-UK and WWF-European Policy Office are leading this piece of work, with close participation of the Eat4Change project partners, especially WWF offices of the countries where the study will be conducted..

The supplier shall:

- be under the direction of the WWF staff managing this project;
- commit to regular check-ins with WWF (at least fortnightly) and inform WWF if and when issues arise between these check-ins;
- present advancement of the work in Eat4Change meetings to update other project partners

WWF-UK and WWF-European Policy Office shall:

- Work closely with the selected supplier;
- Provide a list of resources which can be used as a starting point for research (including some prospective interviewee names and documents);
- Provide contacts in WWF offices of countries covered by the study;
- Be on hand to answer queries;
- Provide feedback on draft versions of the report;
- Provide final sign-off of report.

To the extent of their capacity, WWF offices in the Eat4Change project, notably those from a country covered by study, will:

- Assist in assessment of proposals and selection of consultant;
- Be informed of progress and consulted if issues arise;
- Provide feedback on draft versions of the research;
- Facilitate introductions with industry experts.

V. Application

Proposals should include :

- relevant background of the supplier/consultant(s) involved, CVs of consultants who will participate in the project;
- cost estimate for the project to include the daily rate per team member, the number of days/breakdown of cost by task/milestone and team member. Please also include any applicable charity discounts you may offer;
- detailed timeline for project activities/deliverables and description of the proposed methodology;
- a brief overview of your organisations environmental and social activities, such as corporate social responsibility policies; charity/community/local project support; apprenticeship hosting; diversity, equity and inclusion policy; gender pay gap; and ISO qualifications;
- completion of the sustainable procurement questionnaire.

The proposal should be no longer than 5-6 pages plus CVs of participating consultants/suppliers. Proposals will be assessed using a selection of criteria, likely including: fit to brief, previous experience of consultancy, how quickly the work can be completed, value for money, credible proposed methodology.

Closing date to submit proposals: 7 October 2022

Delivery of final report: 30 April 2023

Guidance on budget available: €40,000-€60,000 (VAT included)

Date: 14 September 2022

Commissioned by: WWF-European Policy Office

Contact persons: EPO : Giulia Riedo - griedo@wwf.eu

Some references (not sure where to keep this):

FAO response

<https://www.fao.org/in-focus/policy-proposals/en>

UNFSS paper on the cost of food.

https://sc-fss2021.org/wp-content/uploads/2021/06/UNFSS_true_cost_of_food.pdf

General overview of State aid in the different Member States:

https://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_SA_102633

And here, a specific one for the Temporary Crisis Framework (TCF):

https://ec.europa.eu/competition-policy/state-aid/ukraine_en (you can download the list).

We had a few further references (mainly from the media) in [our earlier document](#).

IFPRI publication:

<https://www.ifpri.org/publication/high-food-prices-what-who-and-how-proposed-policy-actions>