

FAIR FOOD PRICE MONITOR: NEW ANALYSIS EXPOSES RISK OF UNFAIR PRICING IN AFRICA

Our global and national food systems are facing a crisis of unfair prices. Weak competition and market concentration are enabling powerful actors to make record profits off the back of overcharged consumers and underpaid farmers. UNCTAD's [2023 Trade and Development Report](#) highlights “a stark contrast between growing risks to the food security of millions, and profiteering by corporations that control global food systems”.

The causes of rising food prices are complex – climate crisis, conflict, and COVID-19 have driven up costs for all marketplace actors, while currency fluctuations and trade policies can create further distortions at national level. Yet there is [growing recognition](#) that unfair pricing practices are exacerbating the situation; our new *background brief* [\[link\]](#) offers further context on this threat.

Due to a shortage of data on prices and profits, analysis of unfair food prices in Africa has been relatively limited. A new tool developed by Consumers International, the **Fair Food Price Monitor**, uses publicly available data to track food prices at different stages of the supply chain, and expose the risk of unfair pricing.

[Link boxes to ‘Background brief’; ‘Evidence brief – Nigeria’; ‘Evidence brief – Ghana’; ‘Evidence brief – Kenya’]

The Fair Food Price Monitor

Initial investigations in Nigeria, Ghana, and Kenya (conducted together with consumer organisations in these countries) have assessed the relationship between retail and wholesale prices for a number of key food products – exposing a clear risk of unfair pricing, requiring further action from national authorities.

Key findings

- 1. While food prices on global commodity markets have been decreasing steadily since March 2022, consumer prices all across the world continue to soar.** The [FAO Global Food Price Index](#) has declined to a level last seen in early 2021, yet food price inflation remains high in Nigeria, Ghana, and Kenya, as in many other countries.
- 2. There is a growing divergence between retail and wholesale food prices in Nigeria, Ghana, and Kenya.** In Ghana, for example, the wholesale price of cassava has increased by 46.4% since the start of 2022, yet the retail price of gari (cassava flour) has risen by 77%. In Nigeria, the retail price of yams increased by 74% in this time, compared to a 60.3% wholesale rise. And in Kenya, the retail price of cabbages increased by 16.9%, while wholesale prices rose by only 7.3%.
- 3. Rising business costs do not appear to justify this divergence.** The Fair Food Price Monitor also assesses changes in currency exchange rates, domestic fuel costs, and global commodity

prices; in some cases finding these to be contributing factors, but rarely to an extent sufficient to explain the scale of consumer price rises.

4. **Stronger competition in the marketplace would lead to fairer prices.** In a context of global food crisis, it is inevitable that consumers will have to pay higher prices. Yet in competitive national markets, we would also expect to see profit margins decrease, sharing the burden between producers, traders, retailers, and consumers.
5. **National governments must do more to tackle unfair food prices.** Where consumers and farmers are being exploited – whether as a result of monopolies and market dominance enabling excessive prices, or more explicitly anti-competitive practices such as price gouging and price fixing – competition authorities must be supported to investigate and intervene.

Building shared solutions

The evidence briefs highlight three key areas where action is needed:

1. **Improving data on food prices and profits.** Consumers International is already testing a new model for consumer-led price monitoring (in partnership with member organisations and farmers' associations) that will enable farmgate data to be included in future versions of the Fair Food Price Monitor. However, more comprehensive data from government, on both prices and profits, would unlock even stronger evidence on unfair prices.
2. **Enabling enforcement of competition measures.** To act against unfair prices, competition authorities require not only improved data, but also more financial resources, and greater authority to investigate and intervene. In cases such as Ghana, where there is no single competition law, or dedicated authority, then addressing this must be an urgent priority.
3. **Facilitating collaboration, across government and between stakeholders.** Consumers International and members are assembling multi-stakeholder coalitions in each country, with the collective power to shape solutions to unfair food prices. However, closer collaboration is also needed between different government departments – from competition and trade to agriculture and finance – as well as between countries at international level, to build a fair and competitive marketplace.