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SAFE calls for action to address rising food costs in Europe

Inflation in Europe has taken a concerning turn as food prices have become the main contributor to price rises, impacting European households' access to affordable and healthy food. Despite food commodities trading around pre-crisis levels, the persistence of food inflation – due to increases at production and distribution level that are being transferred to consumers - poses a significant challenge. In the position paper “Household purchasing power, inflation, and unfair practices,” SAFE is urging European institutions to implement comprehensive measures to protect consumers and prevent long-term socioeconomic consequences.

Over the past months, inflation in Europe has dominated headlines, primarily driven by rising energy prices, which were heavily impacted by the conflict in Ukraine. However, **food inflation has now emerged as the primary driver of overall inflation in the Eurozone.**

In May 2023, the overall inflation, as per the harmonized index of consumer prices in the Euro area, reached 7.0%, with foodstuff inflation standing at a staggering 13.5%. Processed food witnessed a 14.6% inflation rate, while unprocessed food experienced a 10.0% inflation rate (Eurostat, June 2023).

The situation is having significant **consequences for European consumers.** European households are disproportionately affected by price increases in foodstuff, resulting in a **loss of consumer purchasing power.** Estimates suggest that households in the Euro area have already experienced a decline in purchasing power **between 1.1% and 9.2% over the past year,** with the **heaviest impact for the bottom 20% income quintile category,** leading to households to opt for cheaper and less healthy food products.

Moreover, prices for food commodities such as wheat, corn, and cereals are already trading at pre-crisis levels. The continued and steep increase in food prices is mostly **attributed to the heightened prices set by retailers and food producers, who have respectively raised their prices by +12% and +17% year-on-year.** An escalation in costs which translated into higher prices for consumers.

This situation creates important disparities between Member States and tends to make disadvantaged consumers in poorer countries more vulnerable. This is why SAFE is calling on the European Commission and the European institutions to action to empower consumers and protect their purchasing power. SAFE calls for:

- The introduction of **price control mechanisms** and the support to Member States investigating them.
- The development of effective **tools to trace the origin of food price increases** to prevent unexplained inflation harming consumers.
- A systemic **monitoring of the effects of inflation on foodstuff** and its effects on consumers' behaviours.
- The introduction of the **infringement of unfair practice** for unjustified price increases.

Read the full **position paper** [here](#).



About SAFE

SAFE – *Safe Food Advocacy Europe* was created with the aim of ensuring that consumer's health and concerns remain at the core of the EU's food legislation. SAFE is currently the only Brussels-based NGO specialised in the protection and representation of EU consumers in the food sector. SAFE strives to ensure safer food standards for consumers monitoring the EU food legislation process and cooperating with EU stakeholders to draft comprehensive food regulations. SAFE notably supports the development of policies and awareness-raising actions which jointly address health, environment, food safety and sustainability, all-the-while being involved in several EU-funded projects aimed at reducing the environmental impact of the food sector, increasing sustainability and promoting healthier food environments for consumers.

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