## Request for Proposals: Food Retail Supply Chains

The University of Maryland, under a cooperative agreement with the Office of the Chief Economist of the U.S. Department of Agriculture, seeks proposals to study food supply chains from farm or fishery to retail. Projects will assess buyer power, procurement practices, intermediaries, pricing strategies, and import competition within specific supply chains, such as beef, poultry, eggs, milk, seafood, tomatoes, apples, and cereal products. By analyzing marketing channels, contracting practices, and recent competition issues, the work will generate evidence on how retail market structure and procurement practices influence producer prices and supply chain dynamics.

We intend to fund five farm-to-retail supply chain projects, with support of $150,000 each (including 10% for indirect cost coverage). A sixth project, with $140,000 support, should focus on a seafood supply chain. The submission deadline is December 31, 2026. More details can be found at this link: https://umd.box.com/s/drxgje6qevborsuqbo69tdl5yx4w8a8e

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Questions? Contact Professor James MacDonald, University of Maryland, at jmacdon2@umd.edu

# Developing new knowledge about the food retail supply chain and impacts on U.S. farmers and the farm economy

A project led by Professor James MacDonald of the University of Maryland, with support from the U.S. Department of Agriculture, Office of the Chief Economist .(USDA/OCE).

## Background

We aim to assess competition and procurement practices in food supply chains, from grocery retailers back to farmers and seafood harvesters. Currently, the effects of retail market structure and procurement practices on food production and competition along food supply chains are not well understood. The project will generate new evidence on how those factors influence consumer and producer prices and supply chain performance. We aim to develop new insights where information is missing or scarce, to better inform policymakers' understanding.

## Project Details

- The project will support seven research efforts, to be administered by the University of Maryland (UMD) through subawards, with financial support from the Office of the Chief Economist of the U.S. Department of Agriculture (OCE/USDA).
- One project should focus on the supply chain for a seafood commodity. Five should focus on specific farm commodities, such as beef, poultry, apples, lettuce, or flour. A seventh, already selected, focuses on retail pricing practices.
- The project will provide support of $140,000 for a seafood proposal and $150,000 for each of five farm commodity proposals.
- We seek proposals from universities, research centers, and non-profit institutions located in the United States.
- The deadline for submitting proposals is December 31, 2026. Proposals should not exceed five pages; they should describe proposed research and identity key researchers (no budget details at this time). Winning proposals will be selected by January 31, 2027, with funding through September 2028.
- Use this link to submit proposals: https://umd.app.box.com/f/4bf3bb8991e94a9ea57fe1141edba360
- The submission file name should include your first and last names.
- We intend to hold a workshop for all participants to discuss progress and share findings. The workshop is tentatively planned to follow the Agricultural and Applied Economics Association annual meeting at the end of July 2027, but that can be adjusted.
- For further information, contact Professor MacDonald at jmacdon2@umd.edu.

Specific Topics of Interest

We are particularly interested in research that addresses the following issues, although we will consider other approaches (that is, if you have another good idea, pitch it to us):

- Retail procurement practices:
    - Contract features – To what extent do retail buyers rely on spot markets? If they contract with suppliers, what length of time do contracts cover? Do retail buyers require certain minimum quantities, and from whom do they buy?
    - Pricing terms – How are purchase prices determined? Are non-linear pricing terms common (prices paid that vary with quantity purchased; fixed payments, like shelf fees, in addition to per-unit payments)? Do contracts set retail purchase prices that vary with prices paid to other suppliers? Do contracts establish pricing formulas, with provision for how prices might vary over time?
    - Procurement contract design and competition. Do procurement contracts deter entry by rival retail outlets? Can contracts facilitate tacit collusion among rival chains, either in procurement or sales? Do procurement contracts exclude types of producers and, if so, how?
- Food retailer pricing strategies:
    - What is known about the pass-through of farm prices to retail prices in this channel?
    - Do retailer pricing strategies adversely affect farm prices?
    - Do retailer pricing strategies vary based on whether products are imported or domestically produced? Do strategies change throughout the year with seasonality or the timing of imports?
- The organization of food supply chains, including:
    - Marketing channels. How much of the farm or seafood product flows to retail grocery outlets, and how much flows to foodservice or to exports? Is procurement local or do national chains coordinate nationwide purchases? Do retailer purchase volumes affect producer prices, and if so why?
    - What types of intermediaries fall between farms or fisheries and retail grocery outlets? To what extent do large retailers buy products directly without the use of intermediaries? What is known about the farm or seafood harvester share of retail value and has it changed over time?
    - Market structure and structural change in the supply chain. Has there been recent antitrust litigation in the chain? Such issues could include contested mergers, collusion cases (both private and public litigation), and exclusionary practices, and the policy implications of such issues.

Selection Criteria

Winning proposals will be selected by Dr. James MacDonald, University of Maryland, and Dr. Joseph Cooper of USDA/OCE. Selection criteria will include the following:

- A clear description of the analytic approach to be taken and the expected results.
- The degree to which proposals address the specific topics of interest listed above.
- Methodologies that are feasible and appropriate to the research task.
- Proposed empirical analyses use data that are available and suitable to the task.
- Importance of the proposed commodity to the food sector, subject to covering a range of commodities across the funded proposals.

**Project Summary: "**Developing new knowledge about the food retail supply chain and impacts on U.S. farmers and the farm economy"

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| What's sought? | Economic analyses generating new information with which to assess competition and procurement practices in retail food supply chains. |
| What's to be funded? | One proposal on a retail grocery seafood supply chain; five proposals on farm-to-retail grocery food supply chains |
| What does funding cover? | Personnel costs, travel, materials and supplies, 10% indirect cost recovery |
| Who's the sponsor? | The University of Maryland, with support from the United States Department of Agriculture, Office of the Chief Economist |
| Funding amounts | $140,000 for a seafood project; $150,000 for others |
| Who's eligible? | Researchers affiliated with academic institutions and non-Federal non-profit research centers |
| Submission Deadline: | Midnight, December 31, 2026 |
| Funding through: | September 30, 2028 |
| Where to apply? | Submit proposals (5 pages or less) to https://umd.app.box.com/f/4bf3bb8991e94a9ea57fe1141edba360 Specify details of the proposed research project and identify key members of the research team; no budget details at this time. |
| For further information | Professor James MacDonald, University of Maryland, jmacdon2@umd.edu |