

**True price transparency for coffee forces consumers to confront the real costs of their daily indulgence** - by *Werner Schouten*, 2 October 2023

The transparency of a true price of products is a cornerstone for an Impact Economy in which decisions are based on creating well-being for all. A true price transparency reveals the externalities usually cloaked behind the final product—externalities such as carbon emissions, underpayment, and child labor—which, when disclosed, empower consumers to make more informed and ethical choices, steering the market towards a more equitable and sustainable direction.

The initiative of transparency in the true price of coffee extends beyond mere economic implications—it's about facilitating an environment where consumers can adequately compare the impacts of products, thereby promoting responsible consumerism. Research, executed by a scientific consortium, commissioned by the ministry of LNV shows that consumers are twice as likely to choose the more sustainable product based when true prices are shown. Currently, consumers are lost in the labyrinth of sustainability labels, each purporting varying levels of eco-friendliness and ethical production, which makes discerning the actual impact of products a challenging task. Transparency of a true price dismantles this complexity by providing a clear, understandable insight into the ecological and societal repercussions of the products, enabling consumers to make decisions that align with their values and the broader goal of societal welfare. It is because of this clarity that the consumer authority in the Netherlands also advocates for the true pricing (ACM, 2022).

Even when the true price is not per se paid at the counter, it provides consumers with the necessary information to compare the impact of, in this case, various coffee brands and include non-financial impacts in their decision-making.

In addition, the strength of true pricing is in making the value chains transparent. This means consumers, but also businesses are able to act on it and have a strong tool to lower the true prices and start producing and consuming within the planetary boundaries. It is an important method for policy makers to (re-)design policies and create new interventions. With the strength of the consumers and business government will be forced to really start making new policies that fit the market demand for more sustainable choices and empowerment of the consumer.

Sources:

ACM. (2022). Brief aan minister van LNV over Agro-Nutri Monitor 2022. ACM.nl. Retrieved from <https://www.acm.nl/nl/publicaties/brief-aan-minister-van-lnv-over-agro-nutri-monitor-2022>