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Agenda Item 8

International Product Classifications for Agricultural Statistics:

A Brief Report of Activities in 2012-2013

Contributed by: *FAO Statistics Division.*

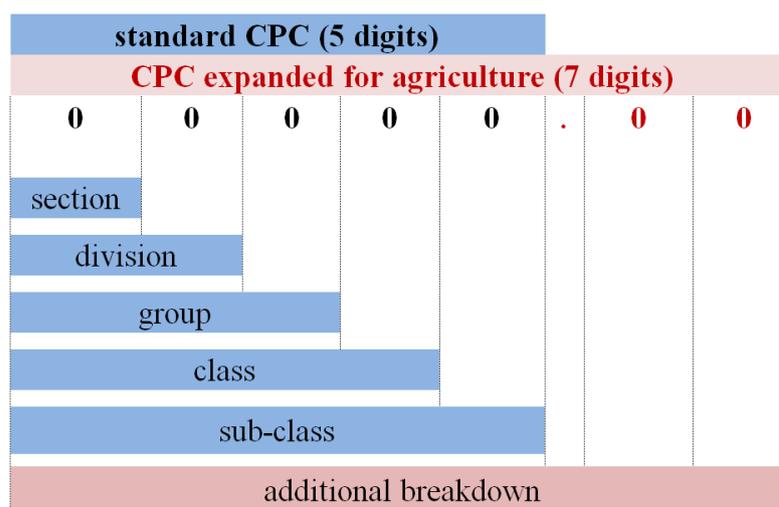
Abstract

This document provides a brief report on the update of the Central Product Classification of the UN (CPC) Ver.2.1, the implementation in FAO of the CPC expanded for agriculture, and the review of the Harmonized Commodity Description and Coding System (HS). Other activities undertaken by the Statistics Division in the framework of agriculture commodity classifications are also described, including the results of the global survey on national classifications for agriculture and food products and the development of the guidelines on classifications for agricultural statistics under the Global Strategy to Improve Agricultural and Rural Statistics.

1. Central Product Classification of the United Nations (CPC)

FAO has been participating in the review of CPC since 2005¹. In 2011, the FAO Statistics Division (ESS), in cooperation with the Fisheries and Aquaculture Department and the Forestry Department, developed a comprehensive proposal for the review of CPC Ver.2.1 and a supplementary list of codes for agriculture. This structure, called the “CPC expanded for agricultural statistics” (CPC expanded), added detail at the lower level of the standard CPC at five digits (Figure 1 below).

Figure 1: Structure of the CPC expanded for agricultural statistics



Given the progress made in the integration of agricultural products in the CPC and in the increased harmonization between the CPC and the Harmonized System 2012 (HS), FAO decided to implement the CPC expanded for agriculture as the central classification for agricultural products². By implementing a common global classification backed up with common and standardized item names, titles, definitions, descriptions and data groups, FAO aims to decrease the reporting burden for countries, facilitate and enhance the comparability of statistical data over time and across countries, and increase the harmonization of official statistics at the global level. Furthermore, the CPC expanded provides a flexible tool, not only for FAO, but also for countries with the new possibility to increase granularity at the lower level, including local species and varieties, while maintaining comparability across countries at the higher level.

The preliminary FAO proposal was endorsed by the UN Statistics Division (UNSD) and the Expert Group on International Classifications (EG) in 2011. Since then, the proposal has been revised and improved, and is currently under finalization by UNSD and the CPC Technical Subgroup.

¹ CPC Ver.2.0 (review process: 2005-2008) and CPC Ver.2.1 (review process: 2011 – ongoing); the current version, CPC Ver.2.0, is available on UNSD website (<http://unstats.un.org/unsd/cr/registry/cpc-2.asp>).

² Including crops, livestock and derived products but not including fishery and forestry.

The preliminary CPC Ver.2.1 structure was submitted to the 44th Session of the UN Statistical Commission in February 2013,³ and the final version is expected to enter into force in the course of 2014, first in English, then translated into all official UN languages. The official UN publication is currently been prepared by UNSD in consultation with the EG.

In terms of use in FAO, CPC has been added in the FAO agriculture production questionnaire⁴ along with the FAOSTAT commodity list (FCL); the implementation of CPC expanded is under testing in the FAOSTAT working system for crops, livestock and derived products.

During its meeting in May 2013, the EG congratulated FAO for the contribution provided to improve CPC for agriculture, fishery and forestry. Particular attention was paid by the EG to the development and implementation of the CPC expanded for agriculture in FAO, and the CPC expanded was acknowledged as a best practice and an example to be followed by other specialized Organizations.

2. Harmonized Commodity Description and Coding System (HS)

The current HS version entered into force the 1st January 2012⁵. HS 2012 (at six digits) includes more than 300 new agriculture and fishery items, making the 2012 version of HS more suitable and useful for agriculture and fishery statistics, and establishing solid correspondences and harmonization with CPC.

The FAO proposal for the review of HS 2017 was submitted to the World Customs Organization (WCO) in March 2012. The document includes proposed amendments for agriculture, fishery and forestry products, fertilizers and agricultural machinery.

Consultations within and outside FAO were conducted to verify the extent to which the HS 2012 detail was suitable for the FAO's purposes. Inputs from different technical units and partner organizations were collated, and items for proposed amendments were carefully selected according to their importance, both in terms of global trade value⁶ and the number of countries involved with the transactions. Particular attention was placed on commodities strategic to the monitoring of food security, endangered species or stocks in need, and conservation agriculture practices. The proposal resulted in a comprehensive document, which presented the following: proposed amendments along

³ <http://unstats.un.org/unsd/statcom/doc13/BG-CPC-Version21.pdf>.

⁴ Currently CPC Ver.2.0; CPC Ver.2.1 expanded will be introduced in the questionnaire in 2014.

⁵ The HS 2012 structure is available on the World Customs Organization website in English and French (http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs_nomenclature_2012/hs_nomenclature_table_2012.aspx; http://www.wcoomd.org/fr/topics/nomenclature/instrument-and-tools/hs_nomenclature_2012/hs_nomenclature_table_2012.aspx).

⁶ The WCO sets a threshold of USD 50 million of annual trade value for new subheadings and USD 100 million for new headings; exceptions to this rule have been applied by the WCO member states in HS 2012 for agriculture and food items of high social or environmental importance, and particularly on products critical for food security in developing countries and their economies.

with their rationale; data on trade, production and prices; information on the use of the products; and descriptions and identification criteria.

The document was discussed at the 43rd, 44th, 45th and 46th sessions of the HS Review Sub-Committee (RSC) and at the 42nd session of the HS Committee (HSC). Discussion will continue at the 53rd session of the HSC in March 2014. Appendix 1 describes the summary of the FAO proposal for HS 2017.

3. Survey on National Classifications for Agriculture and Food Products

A survey on national classifications for agriculture and food products was created to assess the product classifications used by countries for agriculture and food products and the extent to which international standards, the CPC in particular, are implemented. The aim of the survey was also to understand how classifications are managed and to identify country needs on technical assistance and capacity development in this domain. Along with completing the questionnaire, countries were asked to provide contacts of classification focal points and to transmit supporting documentation, such as classification codes, titles, definitions, correspondence tables.

The questionnaire was conducted in the course of 2012, with follow up actions with non respondent countries undertaken in 2013. Over this time period, 196 countries were contacted, of which 44 were in Asia and Pacific region⁷. So far, 102 countries responded (54% global response rate), of which 12 were in Asia and Pacific (a 27% regional response rate, lower than the global rate). One hundred and thirty four classifications were reported by respondent countries, of which 70% were consistent with the CPC or other international standards aligned with the CPC. Among Asia and Pacific respondents, the consistency rate was 83% (10 out of 12, higher than the global rate). Table 1 presents a summary of the survey conducted in the RAP region.

Among reporting countries, 58% (Bangladesh, India, Malaysia, Mongolia, Nauru, Philippines and Russian Federation) asked for technical assistance and capacity development in the domain of statistical classifications.

FAO RAP member countries are encouraged to participate in the survey and fill-out the questionnaire on national classifications for agriculture and food products⁸. Cooperation from the FAO

⁷ At present the number of FAO RAP member countries stands at 46, including France and United States; for the purpose of this analysis France and the United States have not been included (<http://www.fao.org/asiapacific/rap/member-countries/en>).

⁸ The online questionnaire is available in English (www.surveymonkey.com/s/faoclassifications), French (www.surveymonkey.com/s/faoclassifications-fr), Portuguese (www.surveymonkey.com/s/Classificacoes) and Spanish (www.surveymonkey.com/s/Clasificaciones); it is also available in word on ESS website (www.fao.org/economic/ess/ess-standards/en/) - please return completed questionnaires to Valentina.Ramaschiello@fao.org).

RAP member is essential to increase information sharing on classifications used at country level for agriculture statistics.

Table 1: FAO RAP member countries involved in the survey

| Respondent countries (12 out of 44): | | | |
|--|--|------------------------|--|
| Country | Classifications reported | Country | Classifications reported |
| Afghanistan | UN International Standard Industrial Classification of All Economic Activities (ISIC) | Malaysia | Malaysia Classification of Products by Activity 2009 Ver. 1.0 (MCPA) |
| Australia | -Input Output Product Classification (IOPC) -ABS Agriculture Commodity Data Item List (ACDIL) | Mongolia | International Standardization Classification |
| Bangladesh | -Bangladesh Central Product Classification (BCPC) -CPC Ver. 2 | Nauru | -HS -ISIC |
| Bhutan | planned classification aligned with HS | New Zealand | -New Zealand Harmonised System Classification 2012 -National Accounts Commodity Classification 2006 |
| India | National Nomenclature for Agriculture Products | the Philippines | Philippine Standard Commodity Classification (PSCC) |
| Japan | Commodity Classification for the Census of Manufactures | the Russian Federation | Russian Classification of Products by Economic Activities |
| Non respondent countries: | | | |
| Brunei Darussalam, Cambodia, China, the Cook Islands, Democratic People's Republic of Korea, Fiji, Indonesia, Iran (Islamic Republic of), Kazakhstan, Kiribati, the Lao People's Democratic Republic, Maldives, the Marshall Islands, Micronesia (Federated States of), Myanmar, Nepal, Niue, Pakistan, Palau, Papua New Guinea, the Republic of Korea, Samoa, Singapore, Solomon Islands, Sri Lanka, Thailand, Timor-Leste, Tonga, Tuvalu, Uzbekistan, Vanuatu, Viet Nam. | | | |

note: short names of countries follow FAO NOCS rules (<http://termportal.fao.org/faonocs/appl/>)

4. The Database on Commodity Classifications

A database on classifications has been design made available online⁹ to facilitate countries and other users in their search in the FAOSTAT commodity list definitions and correspondences to CPC and HS. It includes search functions by codes and keywords and allows users to easily search and visualize correspondences between the FCL, CPC and HS. At the moment, the database is available in English only; French and Spanish translations are underway.

5. Guidelines on Classifications for Agricultural Statistics

The FAO approach to classifications has evolved over the past few years from a “static” approach to a “participative” approach in which contributions from countries are critical in the maintenance of classifications. More generally, consultation with countries is an essential mechanism for ensuring the relevance, uptake and update of international classifications. As a result, the development of guidelines on classifications for agricultural statistics has been planned for 2014 under the Global Strategy to

⁹ www.fao.org/economic/ess/ess-standards/commodity/en/.

Improve Agricultural and Rural Statistics. The guidelines will help facilitate such consultation, and provide a useful aid to countries planning to adopt and adapt international classifications to their statistical system.

6. Invitations To APCAS Member Countries

Encourage member countries to adopt the UN Central Product Classification (CPC), and other international standard classifications, as a tool to facilitate international comparison of data. FAO confirms commitment to provide assistance to this process.

- Discuss challenges and potential solutions in adopting these classifications.

Ask for endorsement of the progress made by FAO in integrating agriculture, fishery and forestry into major international product classifications.

Seek advice and collaboration from APCAS member countries on the development of future work on classifications for agricultural statistics and support the role of the FAO Regional Office for Asia and Pacific (RAP) in this area of work.

Recommend member countries complete the FAO *Survey on National Classifications for Agriculture and Food Products*, if they have not already done so. The online questionnaire is found at:

- English: www.surveymonkey.com/s/faoclassifications
- French: www.surveymonkey.com/s/faoclassifications-fr
- Portuguese: www.surveymonkey.com/s/Classificacoes
- Spanish: <http://www.surveymonkey.com/s/Clasificaciones>

The questionnaire is also available on the ESS website - www.fao.org/economic/ess/ess-standards/en/ - from which you are requested to return the completed questionnaire to Valentina.Ramaschiello@fao.org

Acknowledge the strong role assumed by Regional Organizations (ROs) in collecting data from member countries and affirm the need to strengthen partnerships on statistical classifications with ROs in Asia and Pacific and member countries in the near future.

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| Questions, inputs and contributions can be can be sent by e-mail to Ms. Valentina Ramaschiello, ESS (Valentina.Ramaschiello@fao.org). |
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Appendix 1

Summary of the FAO proposals for HS 2017

Agricultural Products

- To increase detail on mandarins, clementines, and other similar fresh or dried citrus hybrids.
- To move teff from “Millet” (1008.2) to “Other cereals” (1008.90) as indicated by the Central Statistical Agency (CSA) of Ethiopia.

Fishery Products

- To expand the coverage of the Carp species included in HS 2012.
- To enlarge the coverage of pelagic species other than tunas included in subheadings 0302.4 and 0303.5.
- To insert shark fins and fish heads, tails, maws and other edible fish offal in frozen form, with a major emphasis on shark fins, and to introduce shark fins in prepared and preserved form.
- To insert fresh and frozen fillets and other meat of dogfish, other sharks, rays and skates (*Rajidae*).
- To enlarge the breakdown of dried fish, adding three groups of species.
- To split present code 0305.71 for shark fins in dried, salted or in brine or smoked form, adding the specification for four shark species.
- To separate “not frozen” product forms for crustaceans and of “other” product forms for molluscs and other aquatic invertebrates.
- To have separate subheadings for crustaceans, molluscs and other aquatic invertebrates for ornamental purposes.
- To extend the coverage of cuttlefishes and squids.
- To add Stromboid conchs to 0307.8
- To have separate subheadings for live aquatic plants, including seaweeds and algae.

Forestry Products

- To expand the coverage of tropical wood species included in subheadings 4403.41-.49, 4407.21-.29, 4408.31-.39 and 4412.31 according to a revised list of tropical wood species developed by FAO and ITTO.
- To add detail on coniferous and non coniferous to “Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms” (4401.1).
- To separate “Sawdust and wood waste and scrap, not agglomerated” from “Wood pellets” and “Other” (4401.3).
- To increase detail on coniferous and non-coniferous species under “Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared - Treated with paint, stains, creosote or other preservatives” (4403.10).
- To increase detail on coniferous species for “Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared” (4403.2).
- To increase detail on non-coniferous species for “Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared” (4403.9).
- To increase detail on coniferous and non-coniferous for “Railway or tramway sleepers (cross ties) of wood”(4406.1 and 4406.9).
- To increase detail on coniferous species for “Wood sawn or chipped lengthwise [...]” (4407.1).
- To increase detail on non-coniferous species for “Wood sawn or chipped lengthwise [...]” (4407.9).
- To increase detail on tropical wood species for “Wood continuously shaped [...]” (4409.2) .
- To increase detail on non-coniferous plywood under 4412.3.
- To increase detail on prefabricated buildings made of wood under 9406.

Fertilizers and Agricultural Machinery

- To create two new sub-headings for superphosphate, according to different diphosphorus pentoxide (P₂O₅) concentrations (above or below 35% by weight).
- To create a new heading for agricultural and horticultural sprayers (8424.4), separating at subheading level “operator carried sprayers” from “tractor mounted, trailer-mounted and self-propelled sprayers” (8424).
- To increase detail on “no-till direct seeders, planters and transplanters” vs. “other seeders, planters and transplanters” (8432.3).
- To increase detail on manure spreaders and fertilizer distributors (8432.4).
- To update terminology used for “Pedestrian controlled tractors”, “Track-laying tractors” and “Other” replacing these terms with “Single-axle tractors”, “Crawlers”, “Double-axle tractors”(8701.10, .30, .90).
- To increase detail on engine power rate for double axles tractors (8701.9)