



Global Strategy
IMPROVING AG-STATISTICS



GLOBAL STRATEGY TO IMPROVE AGRICULTURAL AND RURAL STATISTICS

Cost of Production Statistics



JOSEF SCHMIDHUBER, DEPUTY DIRECTOR, FAO STATISTICS DIVISION





Background

Growing demand, limited supply for sound methodologies

- **Demand:**
 - Macro level
 - Evidence-based agricultural policy making
 - Agri-environmental indicators and GHG mitigation paths
 - Meso (extension services)
 - Micro (evidence-based decision making, farm performance indicators)
 - Research (GHG, TFP growth, PMP models, etc.)
 - Software for all modules (collection, validation, compilation, analysis, ..)
- **Supply:**
 - Developed Countries (FADN, ARMS, etc.)
 - Developing countries (ESS Survey of 2011: 21 developing countries, many more with past experience or future plans. Need and opportunity to methodological guidance, coordination, comparability, etc.)
- **Overall:** Great benefits to be had from a harmonized, methodologically sound approach and a common software platform)



Objectives

Improve the availability and comparability of data

- **Guidelines:** Provide developing countries with concrete and applicable recommendations for improving or undertaking CoP data collection and compilation.
- **Database:** Provide users with access to internationally comparable CoP data through FAOSTAT, including farm-level data.
- **Analysis/research:** Provide methodological guidance on the analytical uses of CoP data: construction of derived economic indicators, micro, macro, meso, research (also AEI, GHG)
- **Software:** Provide a easy-to-use, modular, scalable, flexible, open source software platform for CoP data compilation



External partners and collaboration

Country officers and researchers

- Experts (**Friends of the Chair** group, FoC) from developing countries to:
 - Identify the relevant issues, methodological challenges and technical limitations
 - Propose adapted and implementable solutions to overcome these challenges
- **Researchers** from national and international institutions (USDA Economic Research Service, EU Joint Research Center) to:
 - Identify the main research questions;
 - Identify the trade-offs and propose appropriate methodologies
 - Provision of literature, existing manuals, complete literature review



The Literature review

Identify the main methodological challenges

- The **literature review** (EU-JRC) identified the following research questions as key to ensure consistency and comparability of the data:
 - Allocation of **joint costs** (overhead costs, costs for joint products, etc.)
 - Cost **imputation** for **owned inputs** (family labor, inputs produced on the farm, etc.)
- It has also identified **good practices** in the treatment of these methodological challenges.
- Illustrations through country case-studies will be present ***in the final draft of the literature review.***

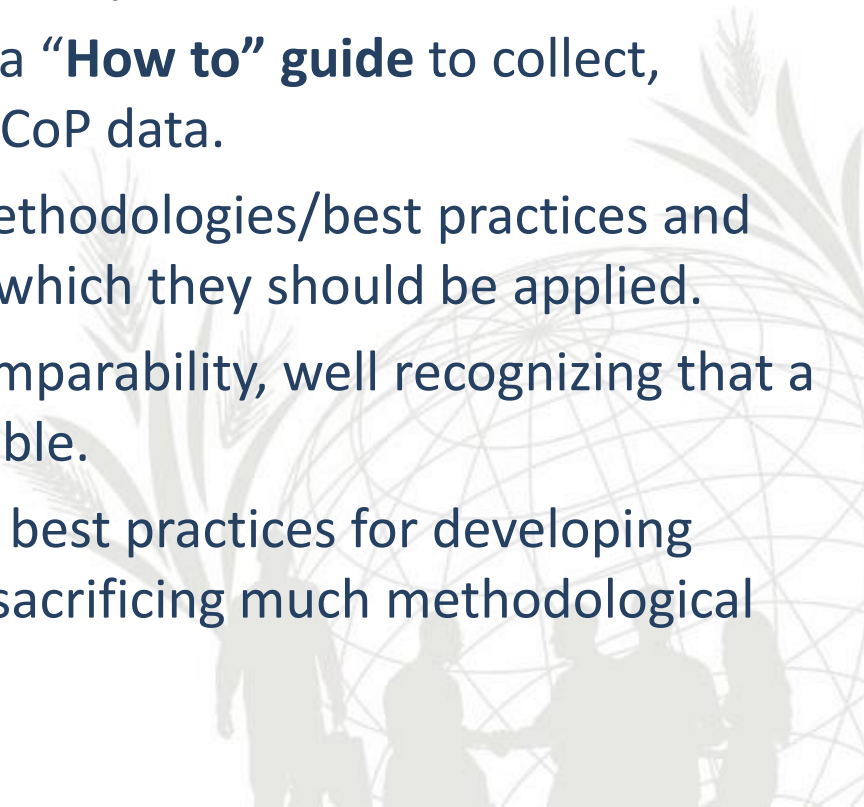


The Handbook

Identify best practices and provide recommendations

- The **inclusive process** involving the FoC, external experts and FAO statisticians will ensure that the recommendations are relevant, applicable and statistically sound.
- The Handbook will constitute a “**How to**” **guide** to collect, validate, compile and analyze CoP data.
- It will propose **appropriate** methodologies/best practices and identify the conditions under which they should be applied.
- Try to ensure international comparability, well recognizing that a full harmonization is not possible.

Overall **compromise**: identify best practices for developing countries’ environments w/o sacrificing much methodological rigour.






Field tests

In-country tests of good practices

- Objectives
 - **Test the recommendations/best practices** provided in the literature review and in the Handbook
 - Assess the relevance and applicability of the recommendations, and revise the Handbook accordingly

 - Process
 - Small set of countries selected (5-6)
 - The tests will differ according to country characteristics, such as the existence of CoP programs, the statistical infrastructure, specificities of the agricultural sector, etc.)
- 



Field tests

Nature of the tests: what do we test?

- Methodological questions in relation to the main research questions, such as:
 - Advantages and disadvantages of integrated vs. stand-alone survey systems.
 - The possibility and capacity to use other sources than survey data (administrative data, farm diaries, etc.).
 - Capacity to implement appropriate estimation methods for cost items such as labour costs and other opportunity costs.
 - Frequency of data collection, imputation of not-collected data
 - The use of allocation keys for joint costs (fixed capital, joint products).



Timeline and workflow: Literature review, Handbook, field tests

- **Literature review**

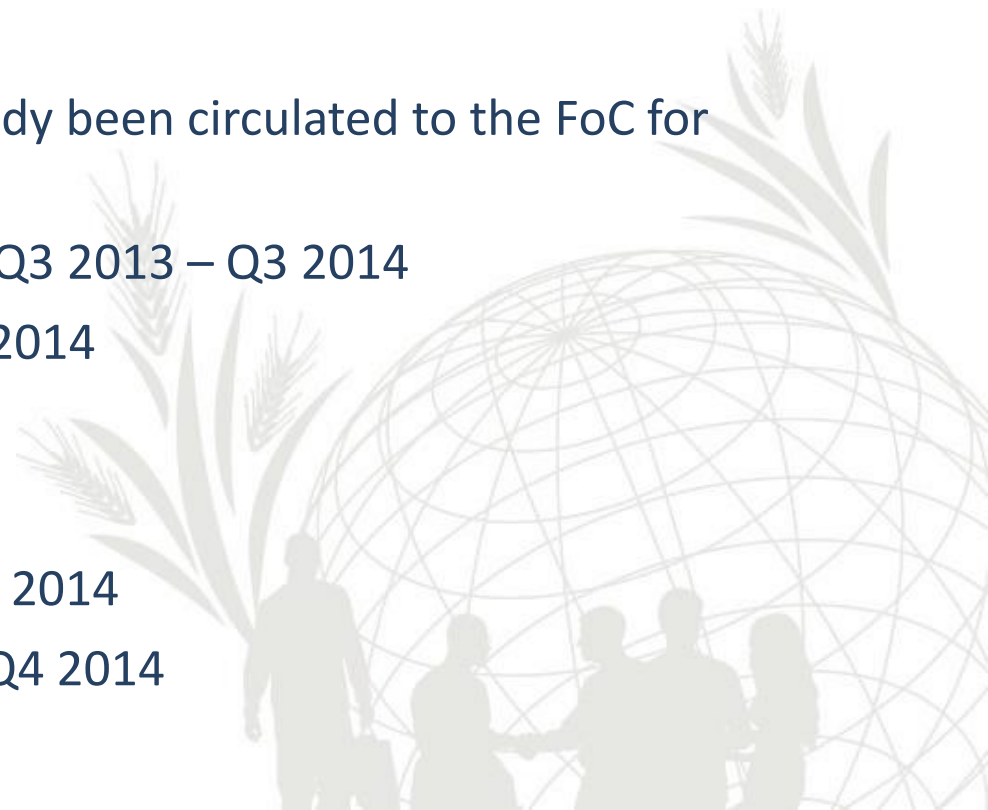
- A first draft has already been produced
- A final draft, including country case-studies, is expected in Q3 2013

- **Handbook**

- A preliminary outline has already been circulated to the FoC for comments and inputs
- Drafting and revision process: Q3 2013 – Q3 2014
- A final draft is expected in Q4 2014

- **Field tests:**

- Preparation: Q3-Q4 2013
- Implementation: Q1 2014 - Q3 2014
- Technical reports expected in Q4 2014





THANK YOU

