October 2012

E

Asia and Pacific Commission on Agricultural Statistics
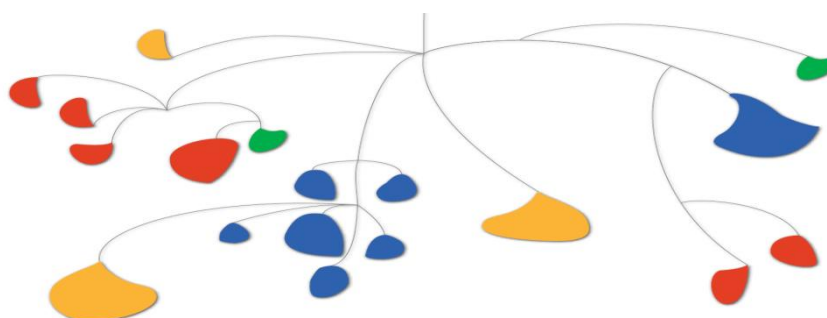
Twenty-fourth Session
Da Lat, Viet Nam, 8-12 October 2012
Agenda Item 4
Overview of the Agricultural Market Information System (AMIS) and projects relevant for selected countries in Asia and Pacific Region[1]

FAO Statistics Division
2012

I.   OVERVIEW OF AMIS

AMIS is a collaborative food information initiative to strengthen synergies and improve data reliability in global commodity markets, initially focusing on wheat, maize, rice and soybeans.

The need for improved agricultural market information was recognized in the G20 Ministerial Declaration in June 2011 in Paris on an "*Action Plan on Food Price Volatility and Agriculture*" (Paris, June 2011), which stated "*the importance of timely, accurate and transparent information in helping to address food price volatility, and agree(d) on the need to improve the quality, reliability, accuracy, timeliness and comparability of data on agricultural markets*". In response to this it was agreed to establish an Agricultural Market Information System (AMIS) in order to enhance the quality, timeliness and reliability of food market outlook information.

An AMIS scoping report prepared by FAO, IFAD, OECD, UNCTAD, WFP, the World Bank, WTO, IFPRI and the UN HLTF in May 2011 provides a review of the existing global food market outlook information mechanisms, identifies problems and gaps, and determines the scope, structure and operations of AMIS. The following problems and gaps in global food market outlook analysis were identified:

- Official country data on crop production and consumption forecasts is often not made available to international information providers. When available, forecasts are often not timely and can be inaccurate.
- For most of the main producing and consuming countries reliable official information on food stocks is not existent.
- There are no formal links between national market outlook agencies and international information providers.
- There is a lack of indicators that are meaningful and comprehensive.
- International information providers include in their price monitoring work the developments in the energy and agricultural futures markets, but there is need to increase the scope of market outlook analysis.
- The linkages with the private sector are often weak, especially regarding information on private stocks.
- Many major food market players have little capacity to collect information on expected production, stocks, trade flows and utilisation.

The AMIS initiative aims to address these gaps and shortcomings of existing agricultural market information systems. The initiative aims at establishing a global monitoring system which will provide improved quality data and analysis; focusing initially on four important commodities in the world (wheat, maize, rice and soybeans). This will be achieved by harmonizing and making available historical and forecast production data, as well as data on stocks and prices for the AMIS countries. These consist of the G20 members plus Spain, plus seven additional major cereal producing, consuming and exporting countries[2] that have been invited to participate based on their important role in world food markets. These countries are major contributors to the global production or consumption (i.e. supply and demand); as such they have a major influence on the global food market. The AMIS initiative will strengthen data collection on the ground and contribute to assembling high-quality information by fostering linkages and collaboration between the various data producers. It will refine existing methodologies and indicators to improve forecasts and increase the reliability of market outlooks. Finally, it will ensure effective outreach of agricultural market information to decision makers, and facilitate policy dialogue and coordination to address identified challenges.

---

[2] **G20**: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, Republic of Korea, Turkey, United Kingdom, United States of America, and the European Union. **Non-G20:** Egypt, Kazakhstan, Nigeria, the Philippines, Thailand, Ukraine and Viet Nam. The initiative covers also Spain which is a non G20 country but is part of the EU.

AMIS will consist of four main pillars that are interlinked and mutually reinforcing:

1. **Market Monitor**: to track current and expected future trends in international food markets, including policy developments and other market drivers, and to detect conditions that warrant the attention of policy makers.

2. **Analysis**: to provide in-depth analysis on topical issues affecting international food markets, such as futures exchanges, energy markets and price transmission, and to develop appropriate methodologies and indicators to support effective analyses.

3. **Knowledge Transfer**: to provide the foundation for improved statistical information from AMIS participating countries by defining best practices and methodologies to be applied as well as by strengthening capacities through training sessions and technical workshops with national statistical agencies and other stakeholders.

4. **Outreach and Policy Dialogue**: to disseminate key market information and analysis to guide policy makers and to provide a forum to facilitate policy coordination

The AMIS initiative encourages major players in agri-food markets to: share data, enhance existing information systems, promote a better understanding of food price developments, and further policy dialogue and cooperation.

II.   INSTITUTIONAL SETUP OF AMIS

AMIS has an established governance structure that was agreed by G20 countries in September 2011. It consists of three main bodies:

1. **The Global Food Market Information Group** ("Information Group"), composed of technical representatives from countries participating in AMIS, provides data regarding the supply and demand position of AMIS crops and expected short term developments, as well as regarding prices. Furthermore, the Information Group organises the timely collection of national policy developments that could impact the market situation and outlook.

2. **The Rapid Response Forum** ("Forum"), composed of Senior Officials from countries participating in AMIS, promotes early discussion about international market conditions, and encourages coordination of policies and the development of common strategies, especially when the market situation and outlook indicates a high food security risk.

3. **The Secretariat**, composed of ten International Organisations[3] and supported by a Steering Committee, is responsible for producing market outlooks, assessments and analyses, as well as for supporting all functions of the Forum and the Information Group, and for performing other administrative functions as needed.. Membership in the Secretariat is open and will therefore change over time.

The Terms of Reference of AMIS can be found at: http://www.amis-outlook.org/fileadmin/user_upload/amis/docs/Inception_meeting/AMIS_TERMS_OF_REFERENCE.pdf

III.   IMPORTANCE OF STATISTICAL CAPACITY BUILDING AT COUNTRY LEVEL IN THE FRAMEWORK OF AMIS

---

[3] The Secretariat comprises FAO, IFAD, OECD, UNCTAD, WFP, the World Bank, the WTO, IFPRI, UN HLTF and recently the International Grains Council

The information reported by participating countries will form the basis of the global database that will be

used for analysis of the market situation and related trends at global level. The following figures illustrate the importance of some AMIS countries with low to medium level statistical capacities on the global food market: China alone produced 114 million tons of wheat on average in 2008-10 representing 17% world wheat production. China and Vietnam produced on average in 2008-10 more than 230 million tons of rice representing 34% of world rice. Nigeria produces 21.7 of coarse grains and is a major consumer in Africa (FAO and al. 2011 Annex A).

Some of the main obstacles to meet key data and information requirements of AMIS are the differences in methodologies, agricultural seasons and for some countries, low statistical capacity because of weaknesses in their national statistical system, including food and agricultural statistics. The country-level statistical capacity indicator for IDA countries on the World Bank Bulletin Board on Statistical Capacity (BBSC) provides data on the statistical capacity of countries.[4] (It should be stressed that this indicator measures overall statistical capacity, without looking specifically at the agriculture sector.) The results indicate that the statistical capacity of five of the AMIS major food market players: *Brazil, China, Nigeria, South Africa, Viet Nam* can be considered low to medium, with scores from 71% to around 76%[5]

This indicator measures the overall statistical capacity with particular reference to macroeconomic data, population census, income and socio-economic variables - most of which tend to be the stronger elements in a statistical system. It is very likely that the capacity of *agricultural statistics sub-systems is even weaker than the overall system* in these countries. It is also likely that some other AMIS countries face similar constraints on their agricultural statistics systems to provide key information. A more systematic assessment of the agricultural statistics capacity of countries is being undertaken in the framework of the Global Strategy to Improve Agricultural and Rural Statistics (Global Strategy) using a Standard Country Assessment Questionnaire and is expected to provide more precise results. Preliminary results for countries in Asia and Pacific Region will be discussed during this APCAS Session.

Strengthening capacity to produce reliable and timely information in these key countries is therefore essential for significantly improving global food market information systems and to realise the AMIS goals. This is why Capacity Development has been identified as one of the key priorities of the AMIS initiative in synergy with other on-going initiatives, particularly the Global Strategy.

The AMIS Secretariat has developed an Umbrella Programme that highlights some of the principles and elements of the AMIS capacity building strategy, in line with international consensus on new approaches to capacity building. that addresses three dimensions: (1) enhancing individual technical capacity; (2) strengthening institutions and organizations; and (3) creating an enabling environment instead of focusing only on a single aspect (FAO 2010). The main outputs are: :

- **Output 1**: Available information, including both statistical data and policy drivers, concerning production, utilisation, stocks and trade of AMIS crops is collected, evaluated and disseminated.
- **Output 2**: Relevant methodologies and indicators are developed to monitor and analyse market conditions and provide improved forecasts and market outlooks.
- **Output 3**: Capacity of national data producers is strengthened to collect and validate data on production, utilisation, stocks and trade of AMIS crops.
- **Output 4**: Policy makers in AMIS participating countries and other stakeholders are effectively informed of market situation and outlook, including on relevant policy developments.
- **Output 5**: Dialogue is strengthened among policy makers in AMIS participating countries and other stakeholders in international food markets.

---

[4] The assessment is based on the areas: *methodology; data sources; and periodicity and timeliness*. Countries are scored against specific criteria and a composite score for each assessment area and an overall score combining all three areas are derived for each country on a scale of 0-100. A score of 100 indicates that the country meets all the criteria

[5] World Bank Statistical Capacity Indicator at: http://go.worldbank.org/TH1J3VGUT0

Therefore, the AMIS capacity building activities will build on and complement existing country level data systems with a view to improving the generation, analysis and dissemination of agricultural market information and outlook. This will ensure that the contribution of AMIS is targeted to fill current information gaps and needs. It will also facilitate coordination between data producers that will contribute to the lasting impact of the initiative.

At global level, important linkages will be established with the Global Strategy to Improve Agricultural and Rural Statistics ("Global Strategy").. Many of the objectives of the Global Strategy are important elements within the framework of AMIS, although the Global Strategy has a broader scope and geographical coverage. Some of the outputs of AMIS will contribute to the overall outcome of the Global Strategy (see Annex 1).

IV   AMIS PROJECTS IN ASIA

The AMIS Secretariat will soon enter into dialogue with several Asian countries in order to discuss their involvement and define the best modalities for implementation of proposed capacity building activities of AMIS at country level.

The capacity building activities will aim to develop and test improved methodologies for estimating AMIS commodities.   These will cover start with the analysis of the good practices. Followed by development of guidelines documenting relevant methodologies and field experiences, based on the good practices.   The methods developed will be tailored to be suitable given the constraints of countries (identified by the country assessment of the Global Strategy). Training sessions of the staff in National Statistical Offices and Ministries of Agriculture will be conducted to allow them to access and apply the enhanced technologies and improved methodologies developed under the project.

The funded projects below aim to strengthen agricultural market information through statistical capacity building.

4.1 Japan Project: GCP/GLO/359/JPN (being finalised)

The target countries are Thailand and the Philippines as the project can build on already existing work. The budget is $1,500,000 and the duration is 36 months from October 2012.

The project will increase the quality, timeliness, accuracy and comparability of agricultural data on production, yield and stock estimation. This will strengthen the capacity of Thailand and the Philippines to monitor relevant market trends and improve the evidence base for policy decisions. The project focuses on rice (which is an AMIS commodity). This will be achieved by:
- Developing and testing improved methodologies for estimating rice production, yields and stocks
- Collecting best practices and preparing guidelines documenting relevant methodologies and field experiences
- Training staff in National Statistical Offices and Ministries of Agriculture in accessing and applying enhanced technologies and improved methodologies for the estimation of rice production, yields and stocks.

Given the important role of rice for the food security of other Asian countries, the results of this project will be disseminated to other countries of the Association of South-East Asian Nations (ASEAN). In particular, collaboration is foreseen with the ASEAN Food Security and Information System (AFSIS) to transfer knowledge and promote harmonized data collection systems. to other ASEAN countries.

4.2 Bill and Melinda Gates Foundation (BMGF) Project: MTF /GLO/359/BMG

In addition to strengthening agricultural market information systems, this project aims to promote the use of innovative methods and digital technology. The Budget is $ 5,609,264 and the duration is 36 months from August 2012. Target countries are: Nigeria, India and Bangladesh (a non AMIS country). It will also have a global impact through specific public goods.

The project will focus on improving official country data on crop production forecasts (and their supply to international information providers); improving country data on food stocks; and improving timely and easily accessible data on food prices.

This will be achieved by :
- Development of methodologies and guidelines on crop forecasting, stock estimation and food price using digital technology as global public goods. This will enable country statisticians to access and apply rigorous statistical methods on crop forecasting, stock estimation and market/food price monitoring using digital and geo-referencing technologies.
- Development of global and country IT platforms for timely data centralization and dissemination.
- Building the capacity of the three target countries (India, Bangladesh and Nigeria) to ensure they have the capacity to implement the methodologies for improved Agriculture Market Information Systems.

This project will fulfil some of the methodological developments and country capacity development planned under the Global Strategy.The methods and tools developed will be expanded to other countries.

V.   CONCLUSION/WAY FORWARD

AMIS is an important initiative which is gaining momentum and receiving growing support from several stakeholders. The initiative is highly dependent on effective agricultural statistics systems in countries. Therefore, capacity building is a central component of AMIS.

The Secretariat has started assessing capacity needs and will continue this exercise to more strategically target its capacity building activities. In the meantime, the two capacity building projects presented above will be implemented and provide important lessons to guide other AMIS capacity building activities.

In addition, there will be strong collaboration and synergy with the Global Strategy initiative to enable the methodological developments under the AMIS project to be scaled up to a wider range of countries.

What is the Global Strategy?
The Global Strategy to Improve Agricultural and Rural Statistics (World Bank et al, 2011) is a ground-breaking effort to strengthen agricultural statistics. Initiated by the United Nations Statistical Commission, and supported by an extensive consultation process, it provides "a framework for national and international statistical systems that will enable them to produce, and to apply, the basic data and information needed in the 21st century."

What does the Strategy try to achieve?
The objectives of the Global Strategy are threefold: (i) establishing "a minimum set of core data that countries will collect to meet current and emerging demands"; (ii) integrating "agriculture into national statistical systems in order to satisfy the demands of policy makers and other users"; and (iii) providing "the sustainability of the agricultural statistics system through governance and statistical capacity building."

Which linkages exist with AMIS?
AMIS and the Global Strategy have several features in common, most notably concerning data collection, methodological development and capacity building activities. Specifically, following complementarities can be identified:
- Information from AMIS will feed into the Strategy's minimum set of core data and products, and vice versa;
- Methodological development on indicators, guidelines and harmonised frameworks will benefit both initiatives
- Capacity building activities of AMIS will be integrated in the Global Strategy

In how far do both initiatives differ?
Despite sharing several characteristics in common, both initiatives also differ in certain dimensions. Main differences include their country coverage and scope, which is broader in the case of the Global Strategy. Specifically, while the Global Strategy targets all developing countries, AMIS will be implemented in G20 countries plus Spain and seven major producing, consuming or exporting countries. Similarly, the Global Strategy covers all key variables and all key commodities (including agriculture, fishery and forestry) while AMIS will focus – at least initially – on four variables (i.e. production forecasts; stocks, trade, and prices) and four crops (i.e. wheat, maize, rice and soybeans).

Conversely, by seeking to improve statistics, analysis and policy coordination, the objective of AMIS is broader than in the case of the Global Strategy, which focuses mainly on the generation and dissemination of statistics. As a result, the outputs of AMIS have a stronger focus on information exchange and coordination among policy makers, while the Global Strategy is concerned mostly with the introduction of new cost-effective statistical methods and tools; capacity development; and the dissemination of a minimum set of core data.

Source: FAO (2012a), p 14

REFRENCES

FAO (Food and Agriculture Organization) 2010. *Enhancing FAO's Practices for Supporting Capacity Development of Member Countries.* Rome: FAO

FAO, IFAD, OECD, UNCTAD, WFP, the World Bank, the WTO, IFPRI and the UN HLTF, 2011: *Improving Food Market Transparency and Policy Response for Food Security: The Agricultural Market Information System, A Scoping Report.* May 2011

FAO (Food and Agriculture Organization) 2012a: *Improving Food Market Transparency and Policy Coordination,* Rome, FAO ("Umbrella project")

FAO: 2012b: *FAO/BMGF project Strengthening Agricultural Market Information Systems globally and in selected countries (Nigeria, India, Bangladesh) using innovative methods and digital technology*

FAO: 2012c: *FAO/Japan project Strengthening agricultural market information in Thailand and the Philippines*

FAO and the World Bank 2012: *Action Plan of the Global Strategy to improve Agricultural and Rural Statistics for Food Security and Sustainable Agricultural Development*

World Bank, Food and Agriculture Organization, and United Nations Statistical Commission. 2011. *Global Strategy to Improve Agricultural and Rural Statistics.* Report no. 56719-GLB. Washington, DC: World Bank.