



High Level Forum
Globalization and Global Crisis:
The Role of Official Statistics
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Globalization and Global Food Crises:
The Role of Official Statistics in African Context

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High level Forum

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Outline of the Presentation

- Globalization and Global Food Crisis
- Role of Official Statistics
- Agricultural Statistic and Food Security in Africa
- Status of Agricultural and Price Statistics and Food Price Inflation in Ethiopia
- Challenges of Forecasting Food Production in Ethiopia
- Way Forward in Improving Agricultural Statistics in Ethiopia



Defining Globalization

- A variety of definitions from narrow notions that focus on trade liberalization to broader views albeit still centered on economic aspects.
- Two different features of globalization: the shrinking of space and time and the policy choices of economic and political change.
- Globalization is a powerful and irreversible phenomenon - offering new opportunities to countries at the upper end of the competitive ladder – but also creating enormous difficulties for many low income countries.

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Globalization of Food and Agriculture

- Historically, trade in food and agriculture has been a key driver of globalization.
- The globalization of agriculture and food is not easily quantifiable.
- The globalization of world economics is increasing the need for basic statistics on supply and demand for agricultural and fishery commodities.

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Food Crisis and Rising of Global Food Prices

- A crisis is a situation where one could be faced with inadequate information, not enough time, and insufficient resources,
- Crises could range in scope and intensity from incidents that directly or indirectly affect a single village to ones that impact the entire country.
- Rising of global food prices affect countries differently depending on whether they are net exporter or importers of food.

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Food Crisis and Rising of Global Food Prices (cont'd)

- Recent escalation of food prices and the reports of global food crisis in several African countries threaten economic growth, peace and security.
- Rising global food prices and food shortage highlights the need for more concredited efforts to harness the potential of the agricultural sector for development.

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Role of Official Statistics

- One of the roles of official statistics is to help in identifying issues such as poverty, inflation, unemployment, size of population, availability of food etc.
- **“If you can’t measure it. You can’t manage it!”** (Robert S.K. and David P. Norton).
- Better statistics enable to design better policies to achieve better development outcomes at different stages of policy-making process.
- As far as the management of statistical activities within the food crisis is concerned, multi purpose surveys could be efficient tool to provide statistics on the main indicators of the monitoring system.

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Role of Official Statistics

- For measuring the availability of food and its accessibility stronger assessment, monitoring and surveillance systems are needed to ensure actions taken by concerned bodies to mitigate the effects of high prices on the most vulnerable groups.
- In recent years, the international community has focused increasingly on monitoring and evaluation as the area where official statistics should be used in evidence-based policy-making.

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Agricultural Statistics and Food Security in Africa

- Agriculture produces the food to feed a country's population, and fulfills other requirements such as the production of fiber, fuel, ingredients for manufacturing, it has remained the dominant sector in most African economies.
- The traditional view of agriculture was that one mainly needed to know the amount of crops that were produced.
- Current global food crisis calls for much closer scrutiny and monitoring of the input to agriculture as well as its production processes. This in turn will create enormous new challenges of agricultural statistics.



Agricultural Statistics and Food Security in Africa (cont'd)

- Although many African countries have a tradition of collecting agricultural statistics, they have by and large not developed structured national agricultural statistics system with well defined objectives and a strategic direction.
- Many African countries have not undertaken a census of agriculture in recent past nor have they undertaken agricultural surveys on a regular basis.



Agricultural Statistics in Africa: the Case of Kenya

- Agricultural survey was conducted in 1987.
- Not all the data from this survey were processed and analyzed due to shortage of trained personnel.
- It was planned to conduct an agricultural survey in 2003/04 and agricultural census in 2005/06 but did not materialize.

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Agricultural Statistics in Africa: The Case of Malawi

- The 2002 food crisis in Malawi was a result of a combination of erroneous food production estimates and a lack of transparency over management of the Strategic Grain Reserve that has caught the policy makers unprepared.
- With regards to data from administrative sources such as agricultural reporting services are often incomplete and are difficult to link with socio-economic data from agricultural households.

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Agricultural Statistics in Africa: The Case of Morocco

- A sound probability- based area sampling frame was established to improve agricultural statistics in Morocco.
- Maps, photographs and satellite images were used to build an area sampling frame to further improve the agricultural statistics system.
- More remote sensed information and GIS technology supplemented the existing crop monitoring and official agricultural statistics system.

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Status of Agricultural and Price Statistics of Ethiopia

- Food security is an important issue in an agricultural economy like Ethiopia. It has important policy implication and data needs.
- Ethiopia has a long history of conducting probability based household sample surveys and censuses under the umbrella of National Integrated Household Survey Program (NIHSP).
- This NIHSP includes mainly annual agriculture and monthly retail price surveys and monthly rural agricultural producer's prices survey is conducted in selected sampled areas that provides CPI and Producers Price Index for agricultural commodities.

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Status of Agricultural and Price Statistics of Ethiopia (cont'd)

- Over the last 25 years the Central Statistical Agency has conducted annual agricultural sample survey using the classical method of tape and campus method for field area measurement and crop cutting exercise for crop yield estimation.
- Publishes major statistical series in its annual statistical abstract, and a more detailed agricultural statistics are published in its annual Agricultural Sample Survey Reports in series of volumes.
- The first ever 2001/02 Agricultural Census of Ethiopia has provided bench mark data at lower administrative levels.

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Food Price Inflation in Ethiopia

- In light of global commodity price inflation, Ethiopia, is experiencing rapid price increases.
- As food accounts for 57 % of the total household consumption expenditure, inflation used to be driven mainly by the performance of agriculture.
- Higher inflation than in neighboring countries pointed out the domestic factors including demand pressure and expectation.

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Food Price Inflation in Ethiopia

- Some supply-side factors may also explain part of the rise in food prices, such as reduced distress selling by farmers .
- Ethiopia's inflation is synonymous with the price increase of agricultural produces.
- Timely and reliable crop production and price data had helped the policy makers to take several actions to reduce the effect of inflation in urban areas in 2008/09.

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Challenges of Forecasting Food Production in Ethiopia

- Several organizations are active in the field of predicting crop production and monitoring food security situation in Ethiopia.
- These include non-government and international organizations; Regional Bureau of Agriculture and Rural Development, the Central Statistical Agency, and the National Meteorological Agency.
- Monitoring activities of international agencies are based on remote sensing, while BoARD and CSA yield forecasting exclusively on field assessments and surveys, respectively.

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Challenges of Forecasting Food Production in Ethiopia (cont'd)

- Remote-sensing based approaches provide quick results early in the season, but are not able to generate useable quantitative estimates below the level of administrative regions.
- CSA generates sampling-based yield forecasts for all important crops down to sub-national administrative levels mostly during Dec./January of each year.
- BoARD through regional offices and extension agents posted in each administrative unit across the country provides crop production estimates.
- These estimates are founded mostly on the visual appreciation of conditions by contact farmers and development agents.

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Challenges of Forecasting Food Production in Ethiopia (cont'd)

- The discrepancy between the CSA's and BoARD's annual crop production forecast data has been a challenge for the data users so far thus creating confusion.
- However, an initiative has been put in place to resolve the mentioned discrepancy by exploiting the strength of each institution through cooperation and collaborative efforts.
- This momentum is expected to be more effective as the CSA is in the process of developing and implementing its National Strategy for Statistical Development (NSDS).

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Way Forward in improving Agricultural Statistics

- Considering the advantage of the multiple uses of satellite imagery, the CSA has undertaken two major initiatives to improve the sampling efficiency of its agricultural sample surveys by at least 20 percents. That is:-
 - (i) Land cover map which is critical for many purposes i.e. sustainable management of natural resources, environmental protection, food security and humanitarian programs as well as core data for monitoring and modeling; and
 - (ii) The development of area frame is also expected to improve the accuracy of agricultural statistics especially that of area under crop once it is finalized.

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Way Forward in Improving Agricultural Statistics (cont'd)

- It is also planned to implement latest technology such as global positioning system (GPS) for area measurement and reduce size of plots for crop cutting exercise to estimate the crop yield objectively.
- With the financial support of EC/FAO project, currently the CSA has introduced hand-held computers for price data collection on selected markets on a pilot basis. The pilot exercise has reduced the processing time from weeks to a day or two.

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Way Forward in improving Agricultural Statistics (cont'd)

- One of the main purposes of Ethiopian NSDS is to provide a framework to integrate agricultural and rural statistics with each other and with that of other sectors(i.e. to incorporate non-farm activities in the rural areas).
- Furthermore, implementing the NSDS in the country would play an effective role in ensuring the standardization of concepts, definitions, classifications and methodologies used by all agencies and thereby avoiding duplications in statistical activities.