BUILDING ON LEARNINGS

BENCHMARKING THE BUSINESS OF AGRICULTURE

GROWTH OF FOOD DEMAND

ROLE OF GOVERNMENT POLICIES & REGULATIONS

Inclusive Value Chain

↑

Enabling Environment

↑

Policies, Laws & Regulations

←

Government Policymakers

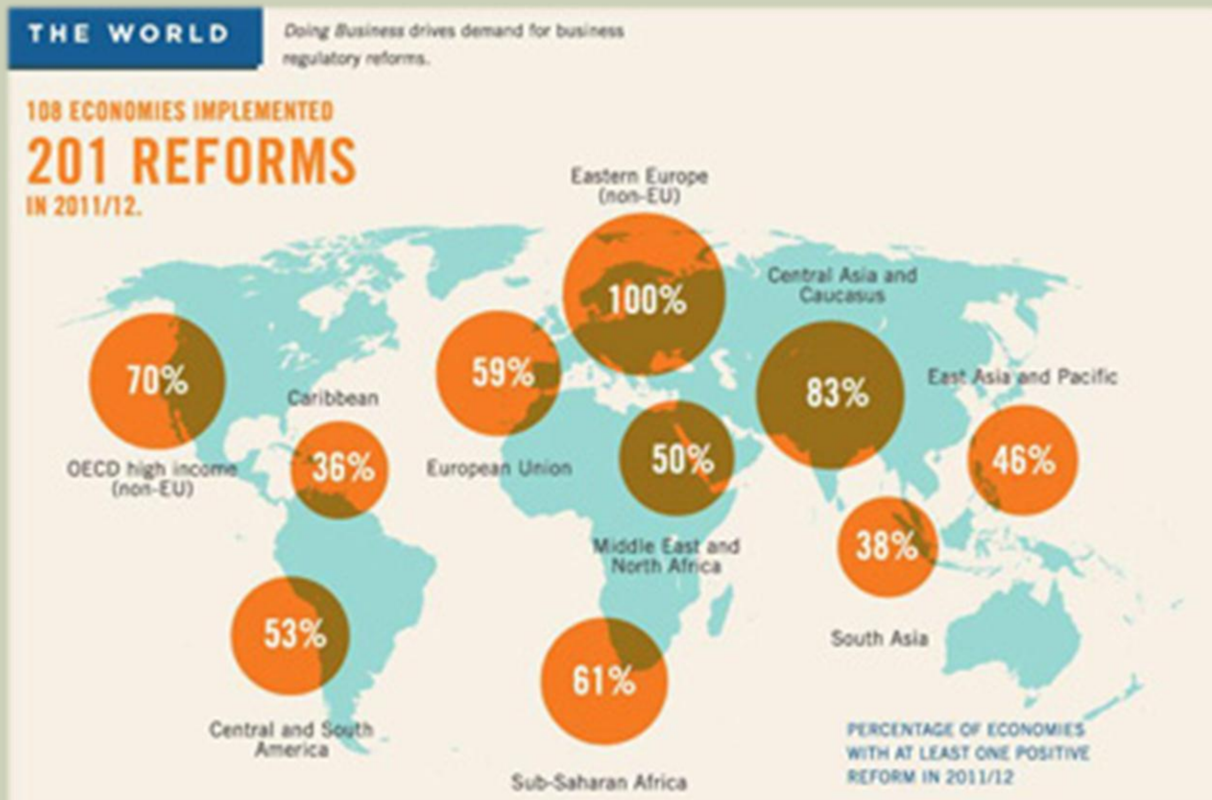
- Promote food production
- Facilitate access to ag inputs
- Encourage competitiveness
- Regulate competition
- Include small & local players

THE VALUE OF BENCHMARKING

You [Socrates] have discovered the reasons
why some farmers are so successful
that husbandry yields them
all they need in abundance,
and others are so inefficient
that they find farming unprofitable.
I should like to hear the reasons in each case,
in order that we may do what is good
and avoid what is harmful.

Xenophon, 4th Century BC

THE VALUE OF BENCHMARKING



BBA:
A TOOL FOR IMPROVED POLICYMAKING

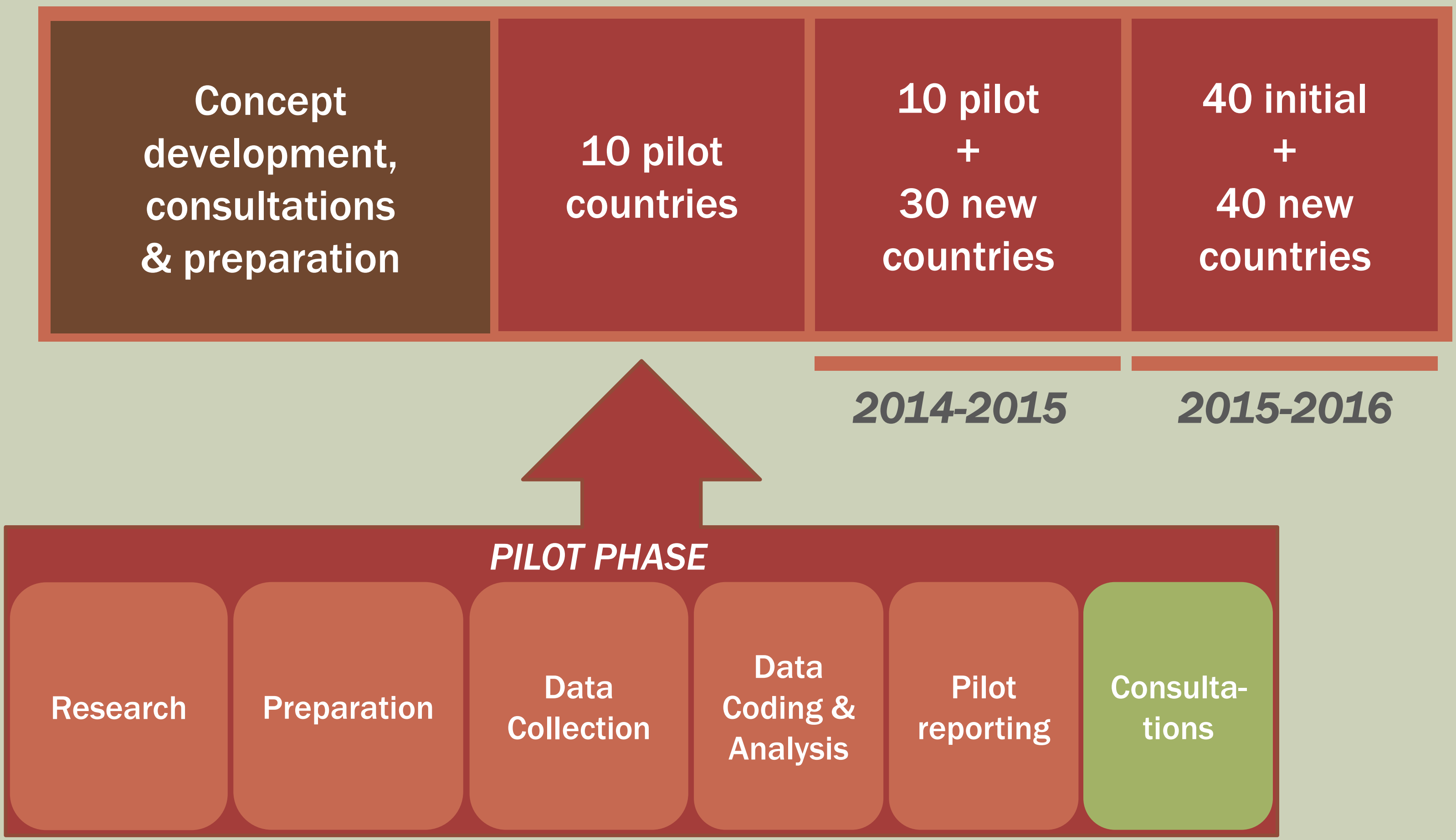
Benchmarking the Business of Agriculture aims to **identify and monitor policies and regulations** that can foster an **enabling environment** for the local and regional business of agriculture and **encourage and inform policy changes** that support **inclusive participation in agricultural markets.**

- Comparable and actionable indicators
- Identify good practices
- Motivate reforms

TIMELINE

Concept development, consultations & preparation	10 pilot countries	10 pilot + 30 new countries	40 initial + 40 new countries
	2013-2014	*2014-2015*	*2015-2016*

TIMELINE


Concept development, consultations & preparation
10 pilot countries
10 pilot + 30 new countries
40 initial + 40 new countries
2014-2015
2015-2016
PILOT PHASE
Research
Preparation
Data Collection
Data Coding & Analysis
Pilot reporting
Consulta-tions

THEMATIC COVERAGE

Access to Agricultural Inputs (Seeds, Fertilizer, Machinery)

Access to Agricultural Finance

Access to Transport & Storage

Access to Agricultural Land

Access to Markets

(Domestic, Regional, Contract Farming)

Access to Water

Rural Electricity & ICT

Benchmarking the Business of Agriculture

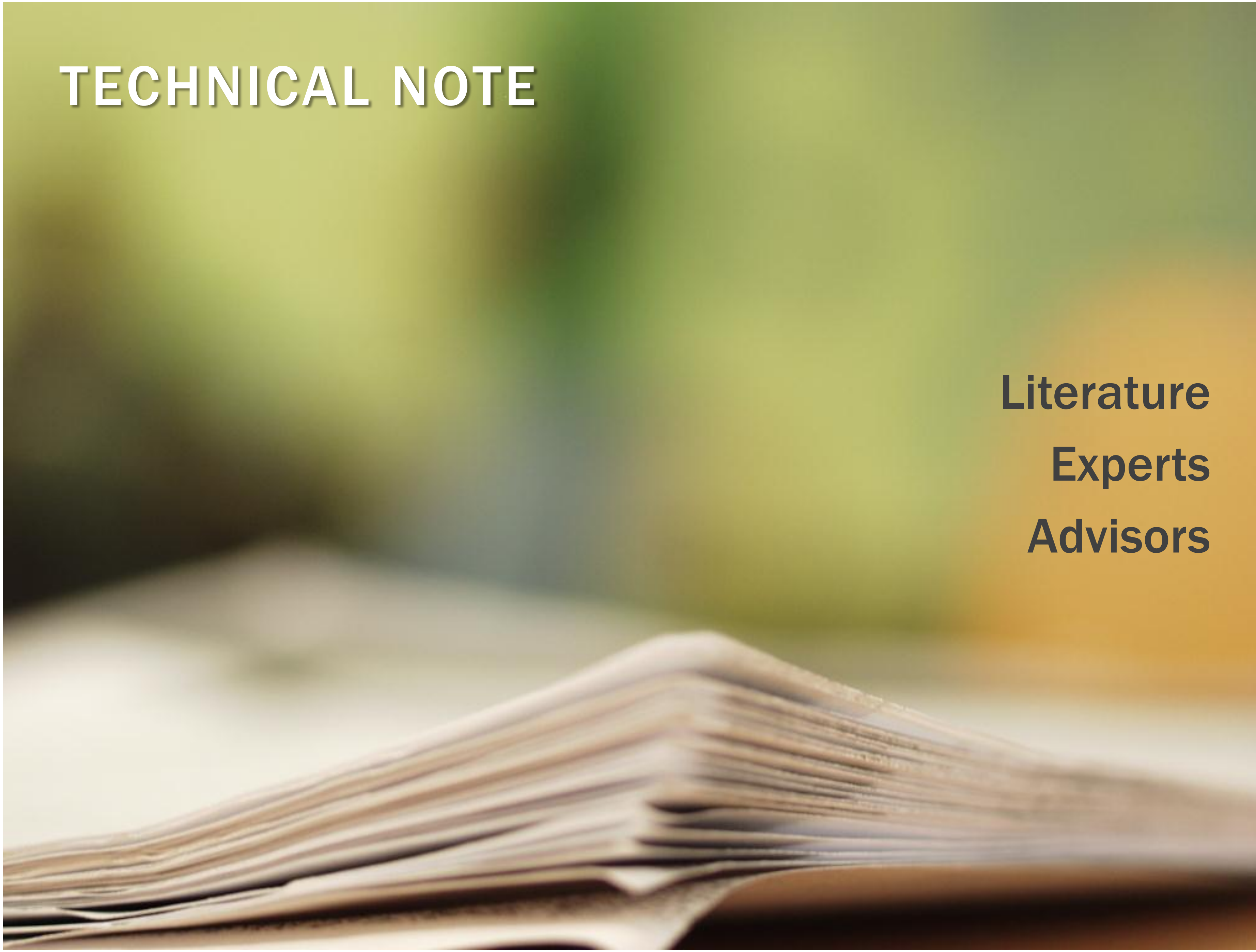
THEMATIC COVERAGE

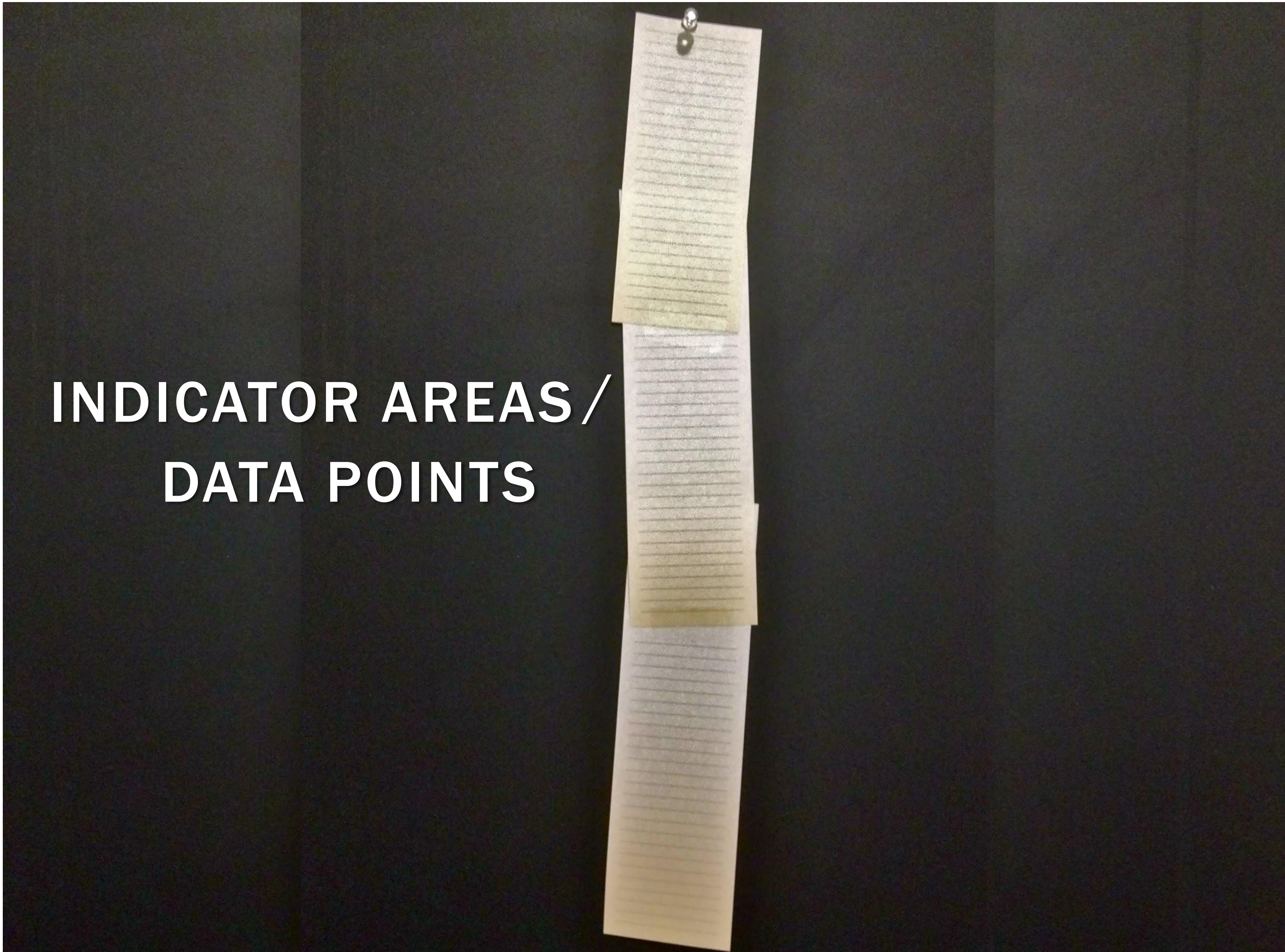
CORE TOPICS

- LAND
- AG FINANCE
- SEED
- FERT
- AG TRANSP
- MARKET

INITIAL TESTING

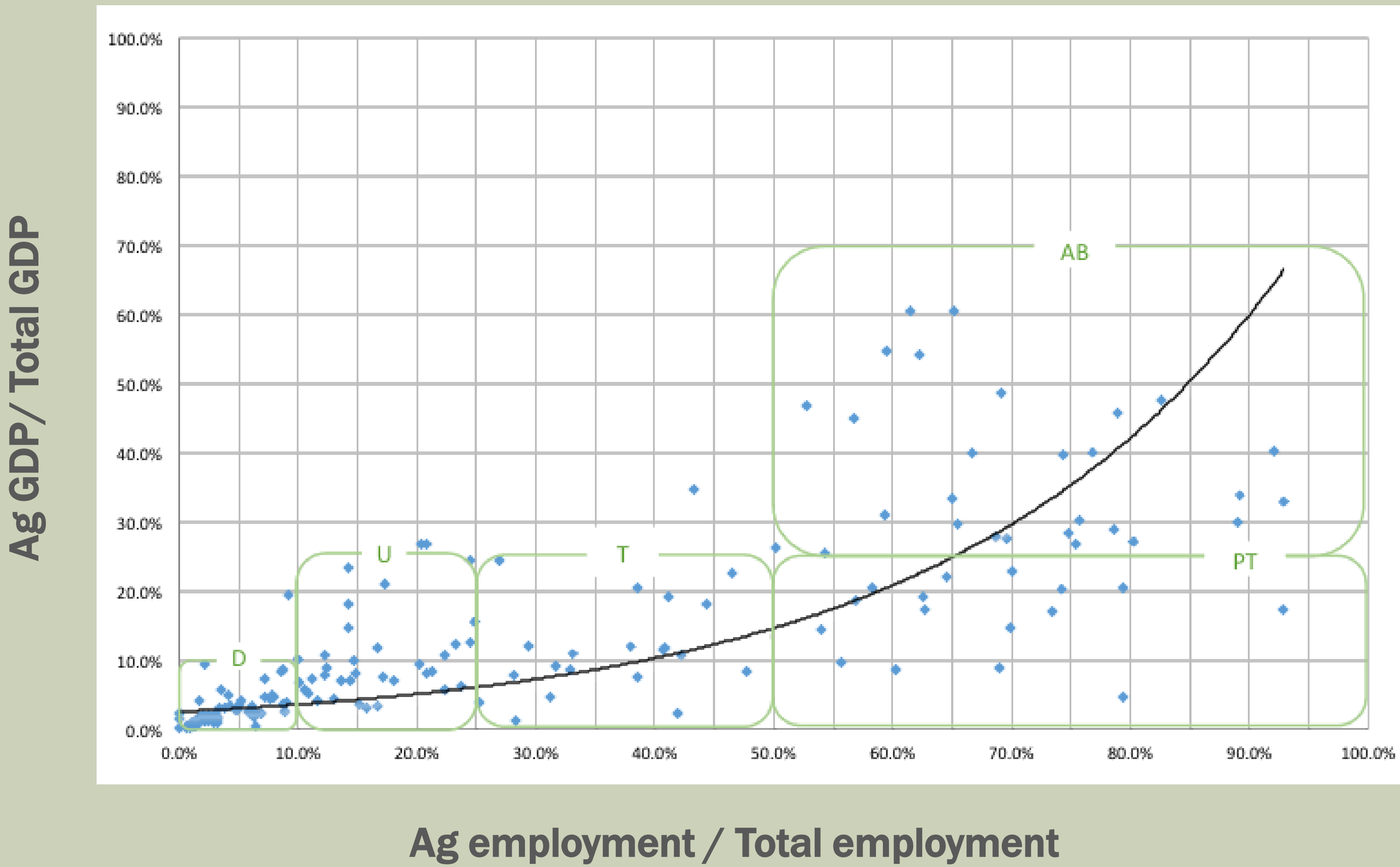
- ICT
- RURAL ELECTR
- AG MECHAN
- CONTR FARM


TECHNICAL NOTE
Literature
Experts
Advisors

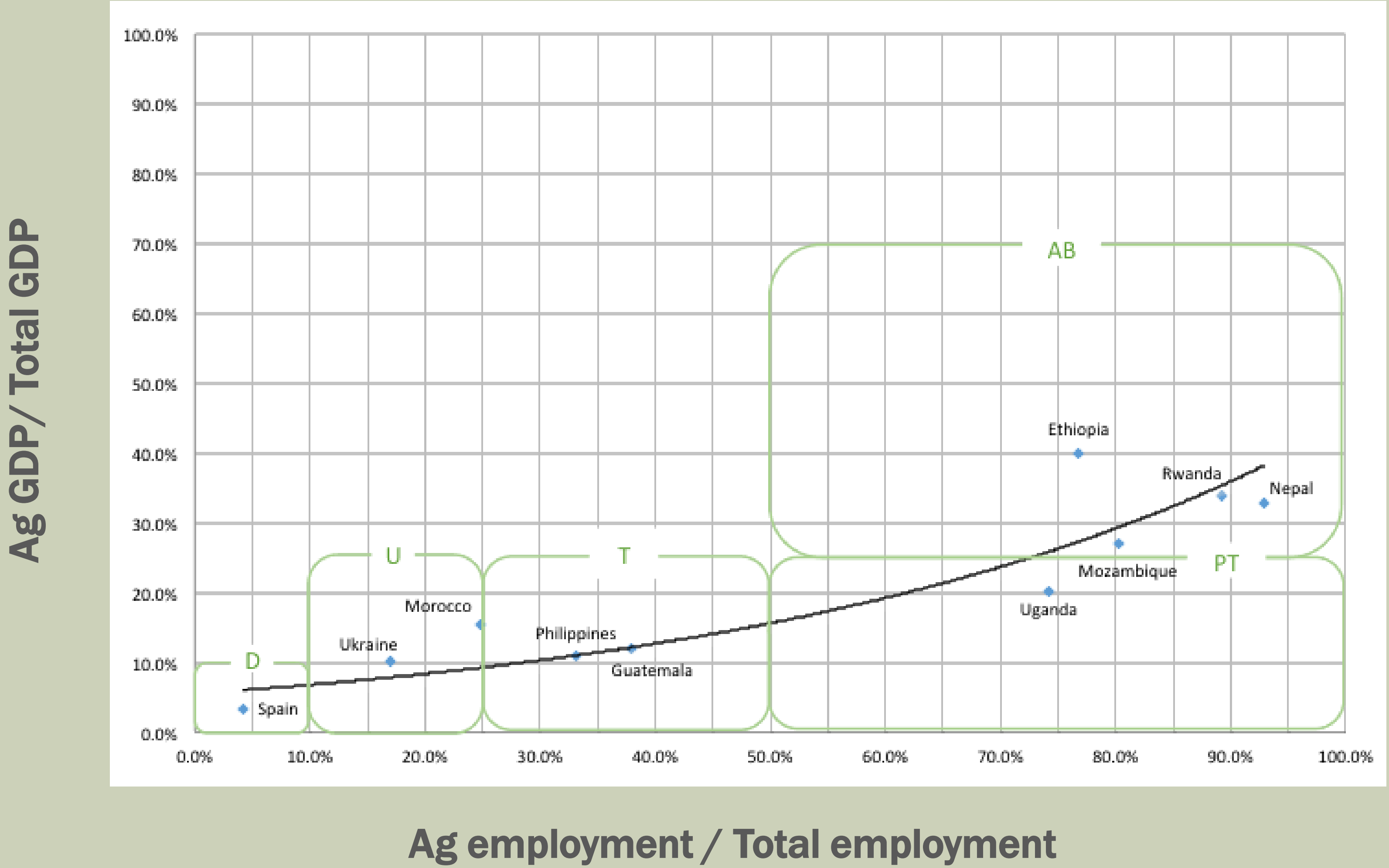

INDICATOR AREAS/
DATA POINTS

QUESTIONNAIRES

COUNTRY SELECTION



COUNTRY SELECTION



COUNTRY SELECTION

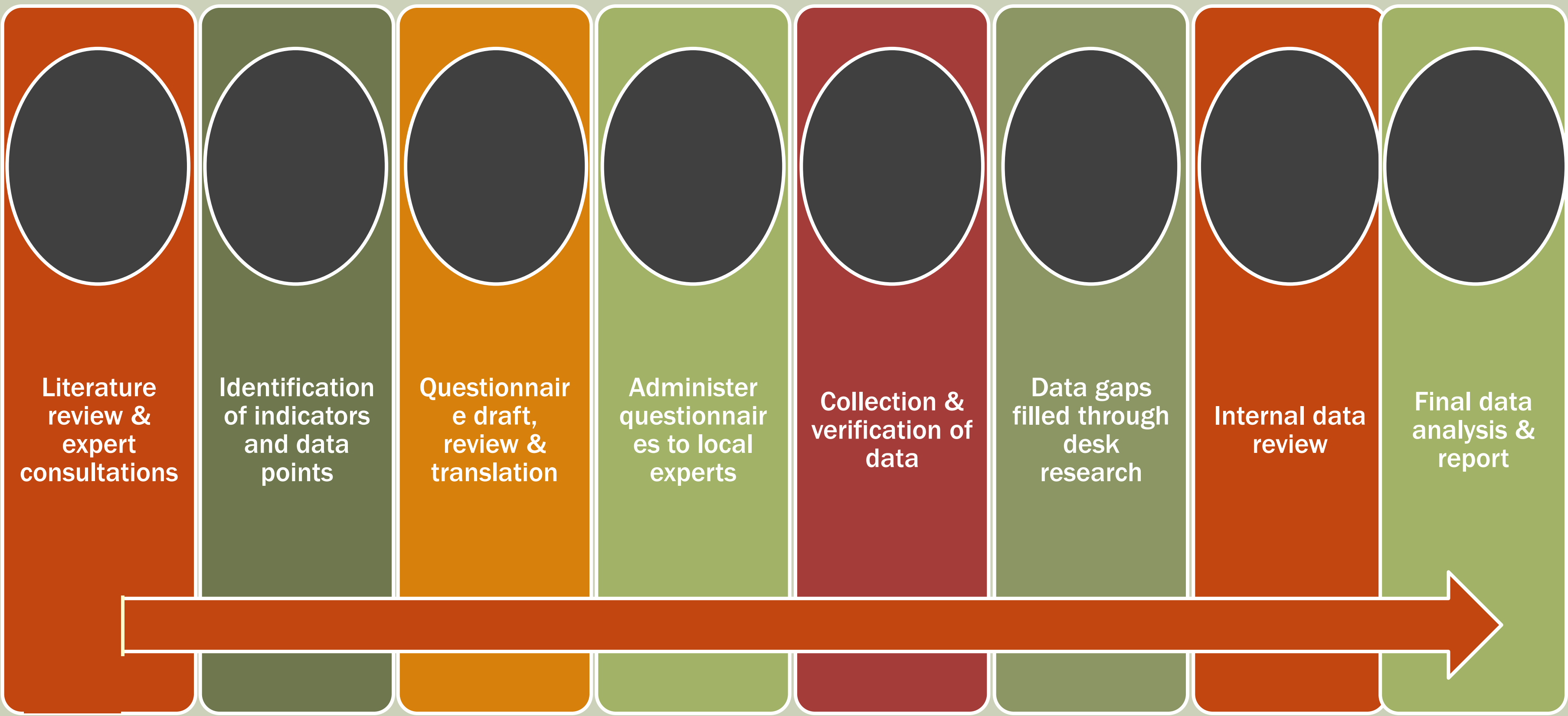
- Government institutions
- Companies
- Associations
- Academia
- Research institutions
- NGOs/farmer organizations

CONTRIBUTORS

COUNTRY VISITS

November 2013	Guatemala
December 2013	Morocco, Ukraine, Rwanda
February 2014	Ethiopia, Philippines, Mozambique
March 2014	Nepal, Uganda, Spain

DESIGN TO ANALYSIS



DATA COLLECTION CHALLENGES

- **Unavailability** of data (laws, regulations, metrics)
- Statistical **unreliability** or weakness of data
- **Incomparability** of data (varying collection methodology)
- **Reluctance** to provide certain information
- **Limited contributor base** to verify data (time & motion)
- Specific **case study assumptions** need to be refined for time and motion indicators
- **Extensive follow up** to obtain data

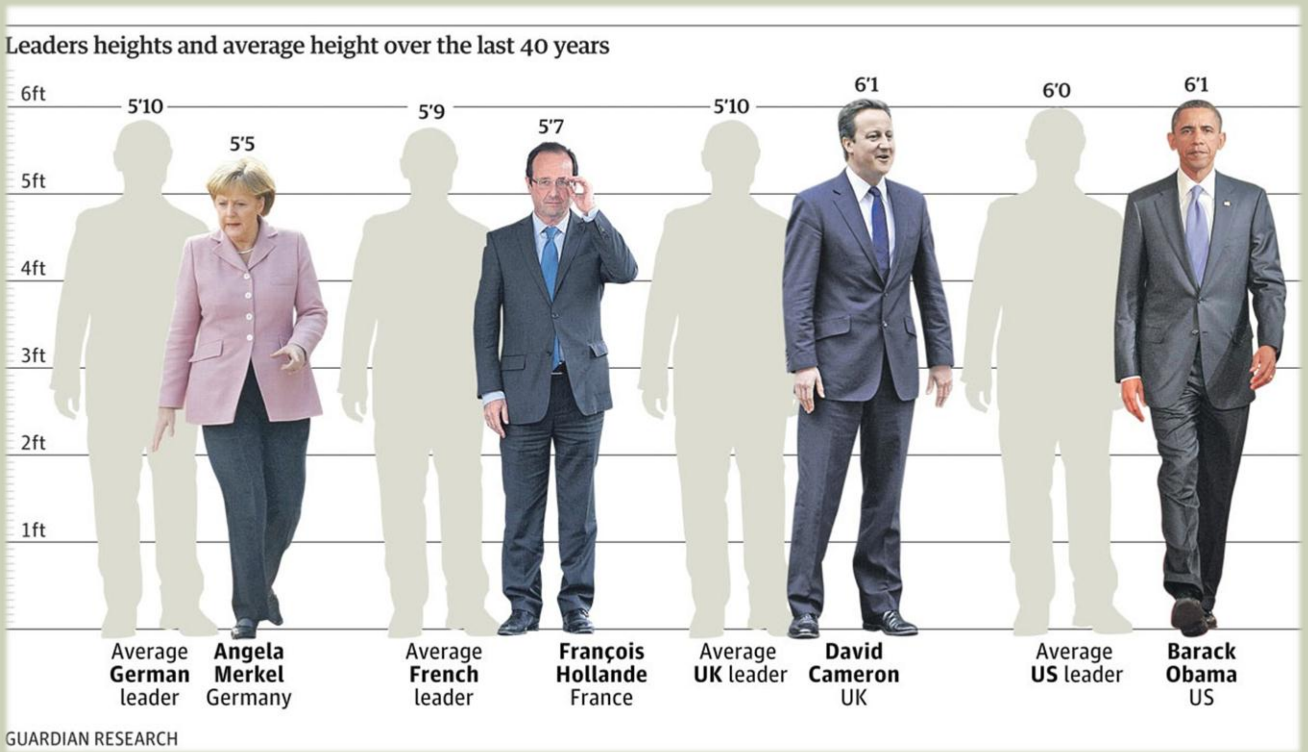
LEARNINGS

VOLUME OF DATA POINTS

The important vs. the most important

LEARNINGS

ROBUST AND COMPARABLE MEASUREMENTS

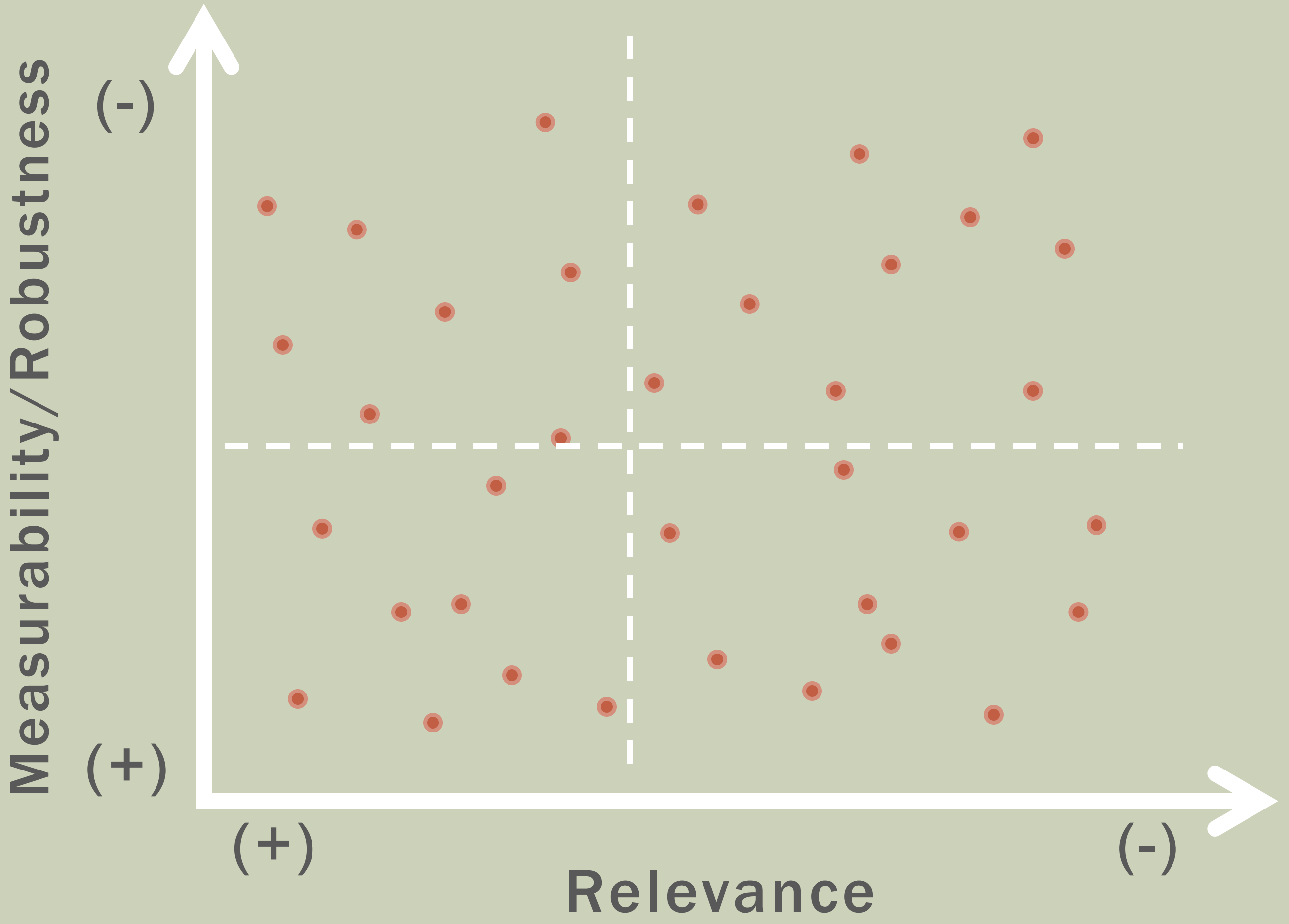


LEARNINGS

DATA COLLECTION WISDOM

- Interaction/relationship with contributor
- Length of questionnaire
- Prepopulating surveys

LEARNINGS



LEARNINGS : AG TRANSPORT
(TRUCKING SERVICES)

Starting trucking company	☑
Licensing requirements/procedures	✓
~~Market structure~~	×
Pricing regulation & freight allocation	✓
~~Transport prices and costs~~	×
Axle-load regulation and inspections	✓
~~Road blocks, tolls and fees~~	×
International agreements	☑
Foreign trucking competition	✓
~~Accessing appropriate vehicles~~	×
Road quality, access and density	☑
~~Rural roads financing~~	×
Agricultural storage	☑

LEARNINGS : AG TRANSPORT
(TRUCKING SERVICES)

- Licensing of truck operations
- Pricing regulation/ freight allocation
- Axle load regulations
- Foreign trucking competition
- Monitoring of road access, density and quality

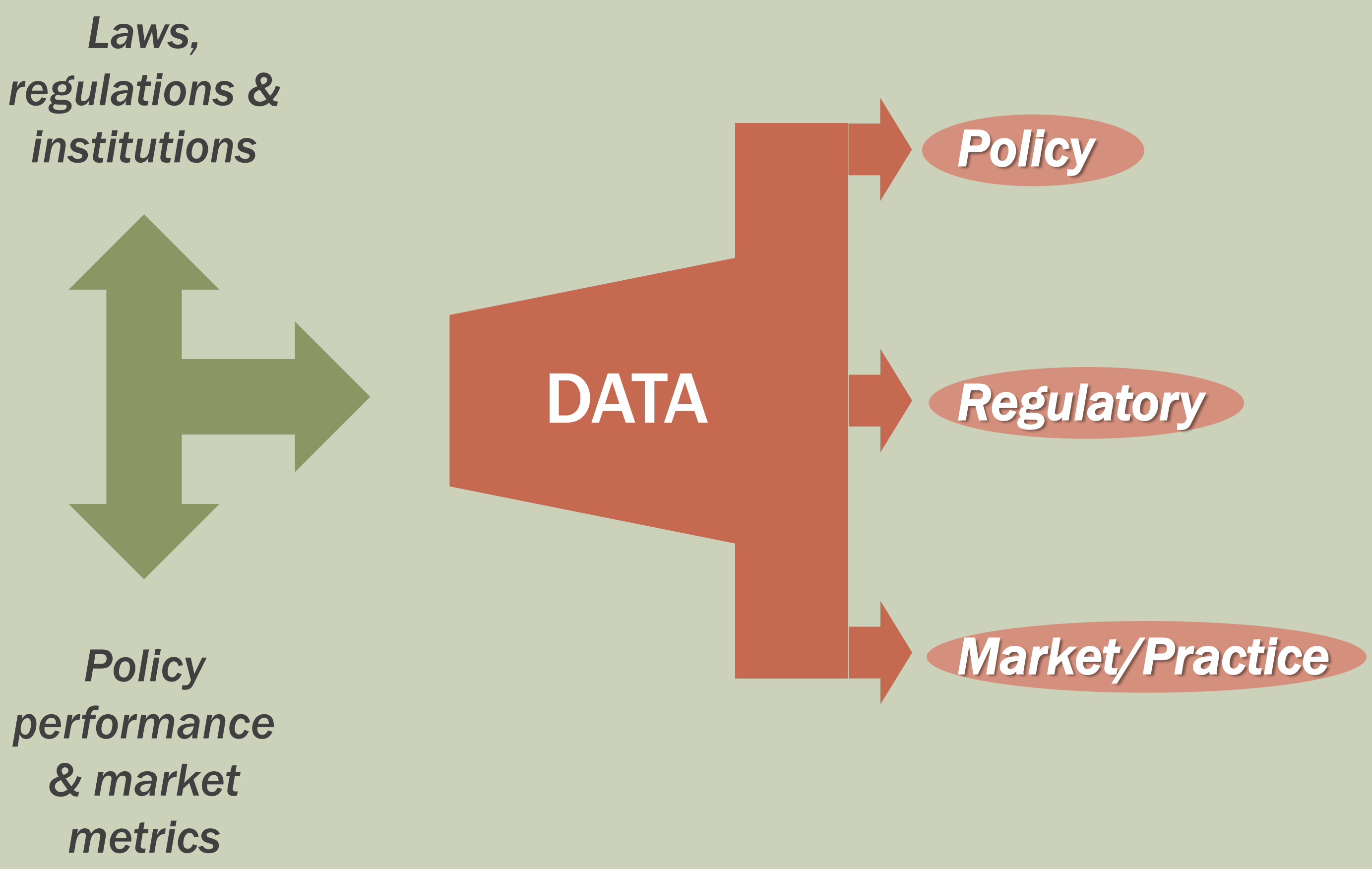
LEARNINGS : ACCESSING FINANCIAL SERVICES

Collateral laws	✓
~~Average loan cost~~	×
~~Average interest rates~~	×
~~Deposit insurance schemes~~	×
~~# mobile banking users~~	×
~~% agricultural loans~~	×
E-money regulations	☑
~~Asset risk weighting~~	×
Regulation of financial intermediaries	☑
~~# loans secured by movable collateral~~	×
Warehouse receipt systems	☑
~~# of bank branches in rural areas~~	×
~~Microinsurance schemes~~	×

LEARNINGS : ACCESSING FINANCIAL SERVICES

- Collateral laws
- E-money regulations
- Regulation of financial intermediaries
- Warehouse receipt systems

DATA CLASSIFICATION



CONSULTATIVE/FEEDBACK PROCESS

- Methodological approach
- Analysis of indicators
- Contributor strategy

IFAD

UNIDROIT

Report review

Peer reviewers

Country offices

Donors

Donors

CSOs

June 2014

Technical experts

Technical experts

Sept 2014

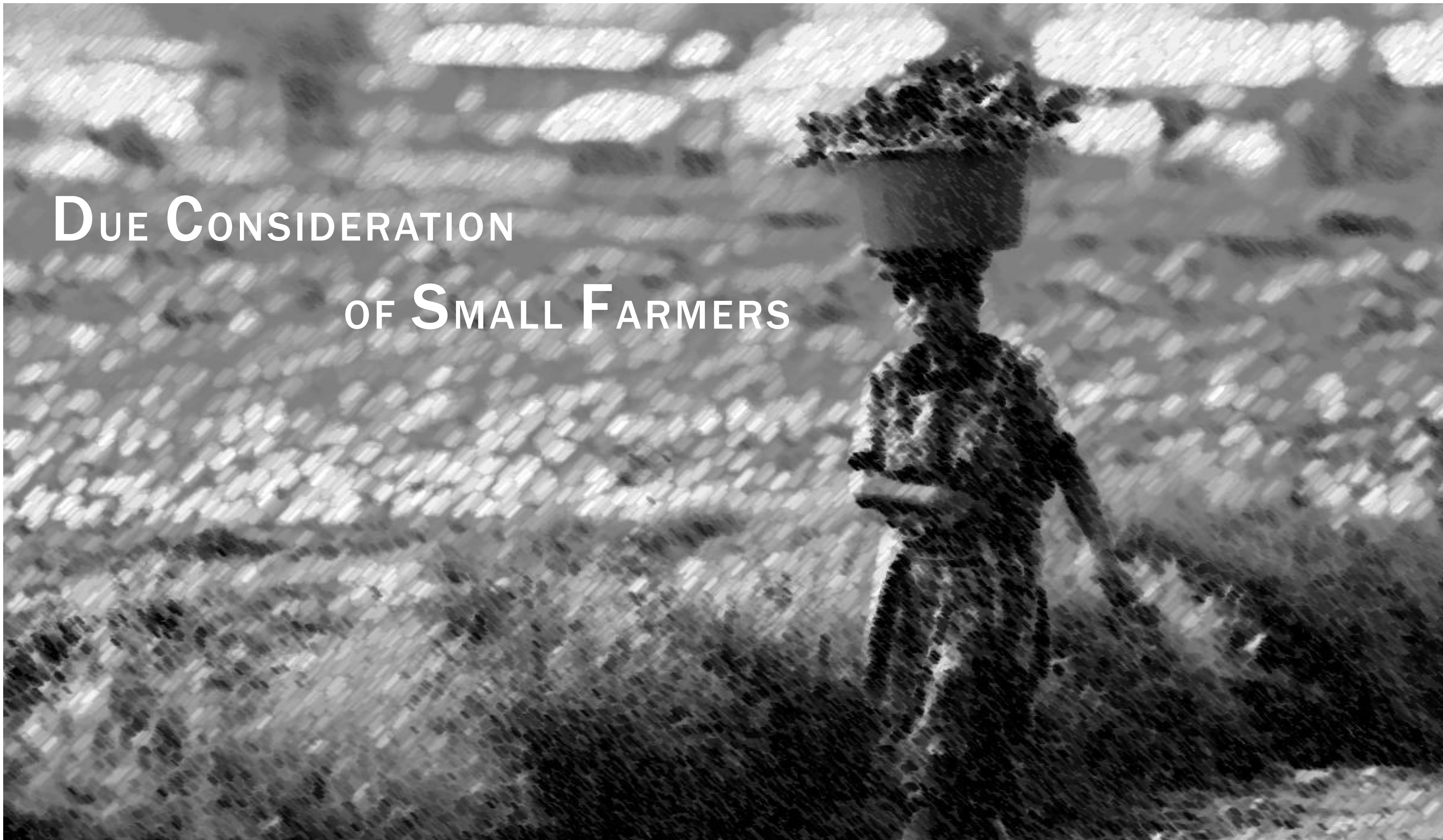
Technical experts

LOOKING FORWARD

Scale Up

TOPICS					
LAND	AG FINANCE	SEED	FERT	AG TRANSP	MARKET
ICT	ENVIRON SUSTAIN	WATER	MECHA-NIZATION	GENDER	LIVE-STOCK

LOOKING FORWARD



LOOKING FORWARD

Build & Refine Indicators

Challenge of choosing indicators that are:

- most **relevant** in determining "enability" of environment
- **measurable** and statistically **robust**
- fully **comparable**
- distinctively address market linkages/opportunities for **smaller farmers**

PROCESS IN MOTION

TECHNICAL NOTE

INDICATORS / DATA POINTS

QUESTIONNAIRES

PROCESS IN MOTION

2014-2015 IMPLEMENTATION

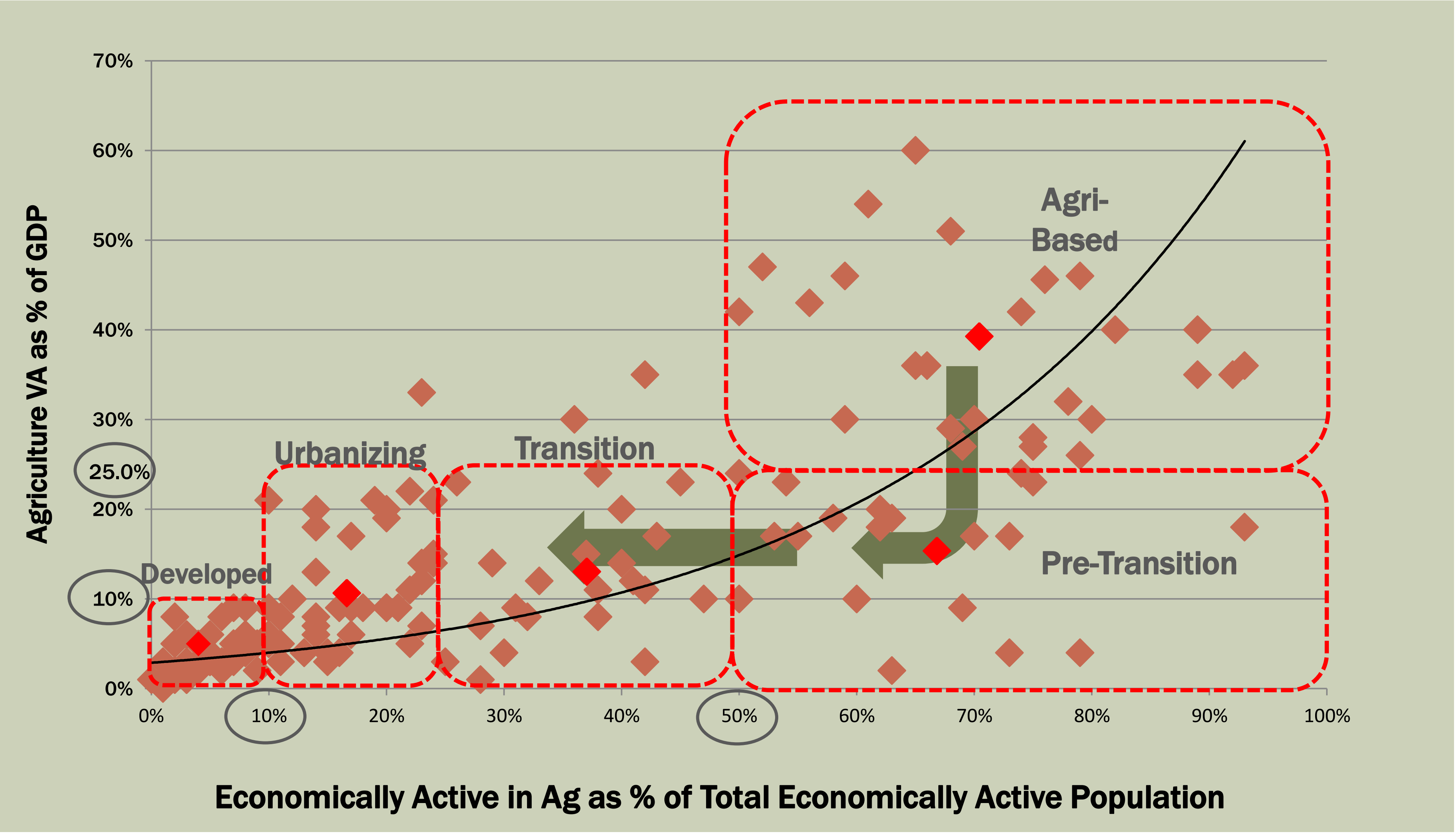
Preparation

Remote data collection

Remote + In country data collection

Data coding & analysis

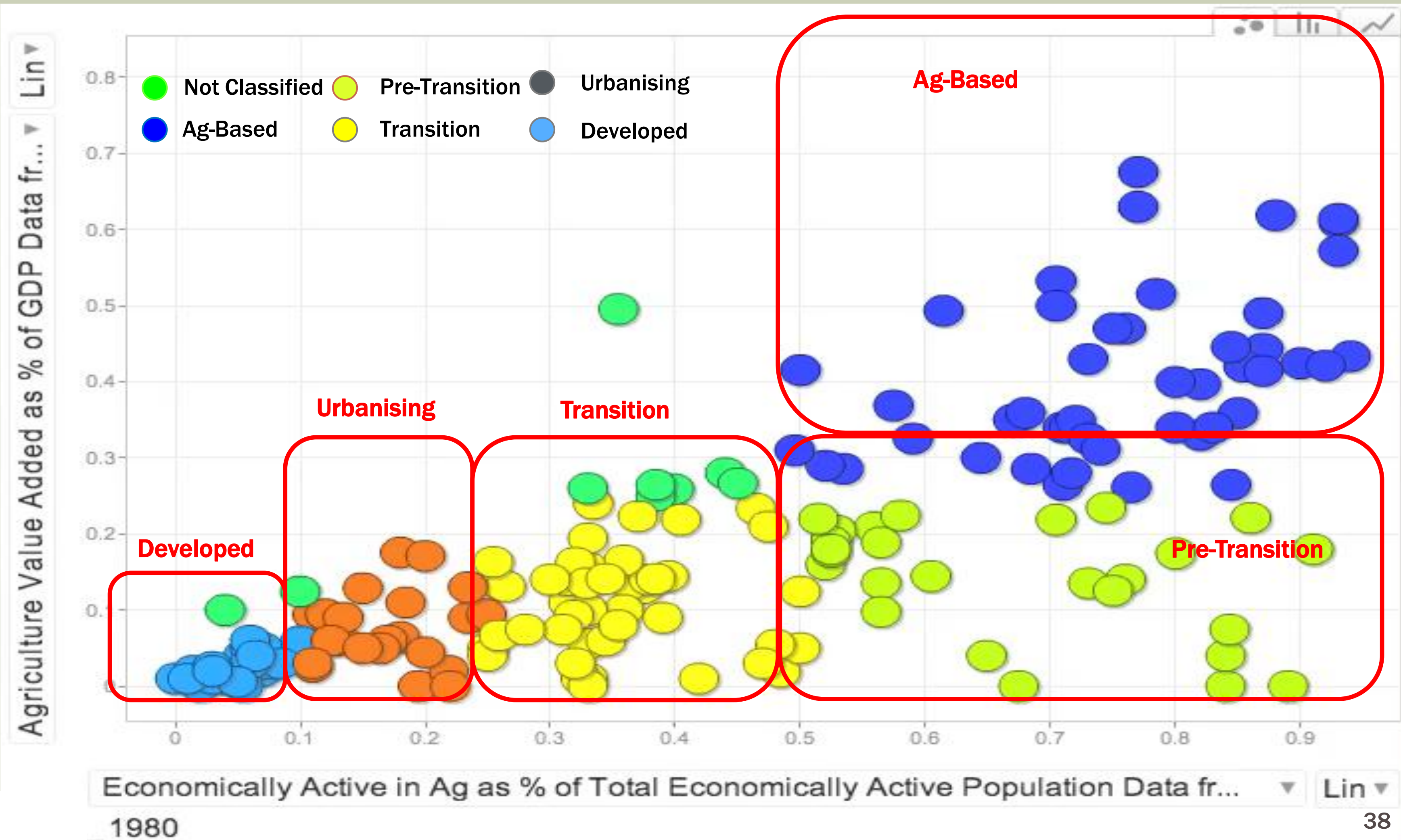
THE AGRICULTURAL TRANSFORMATION MATRIX (ATM)



ATM Segment Parameters

	Ag-Based	Pre-Trans	Trans	Urbanising	Developed	Total
Ag VA % Tot	40 %	11%	12%	9 %	2 %	**5 %**
Ag Empl % Tot	72%	59 %	40 %	19 %	4 %	**42 %**
AG VA/cap PPP$	387	521	514	682	519	**533**
Other VA/cap	588	4,369	3,836	6,577	27,467	**9,346**
Tot GDP/cap	975	4,879	4,350	7,256	27,986	**9,879**
Ag VA/Ag wrkr PPP$	1,236	1,727	2,868	8,770	30,588	**2,747**
AG Cap Stk/Ag wrkr	715	658	1,408	5,436	37,711	**1,710**
% at/ below $2 IPL	36 %	32%	14 %	6 %	0 %	

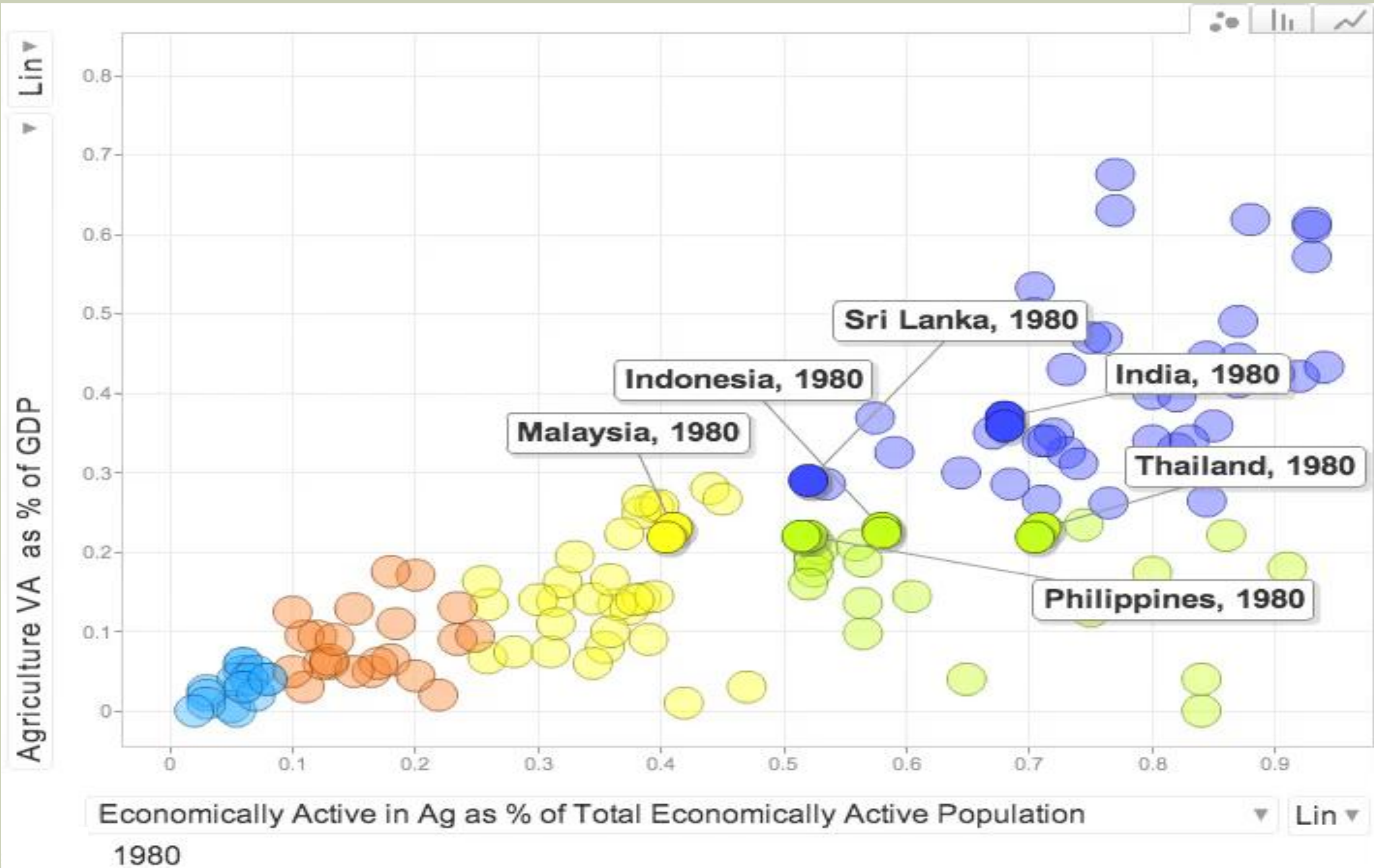
Global



Not Classified
Pre-Transition
Urbanising
Ag-Based
Transition
Developed
Ag-Based
Urbanising
Transition
Developed
Pre-Transition
Lin
Agriculture Value Added as % of GDP Data fr...
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0
0.1
0.2
0.3
0.4
0.5
0.6
0.7
0.8
0.9
Economically Active in Ag as % of Total Economically Active Population Data fr...
Lin
1980

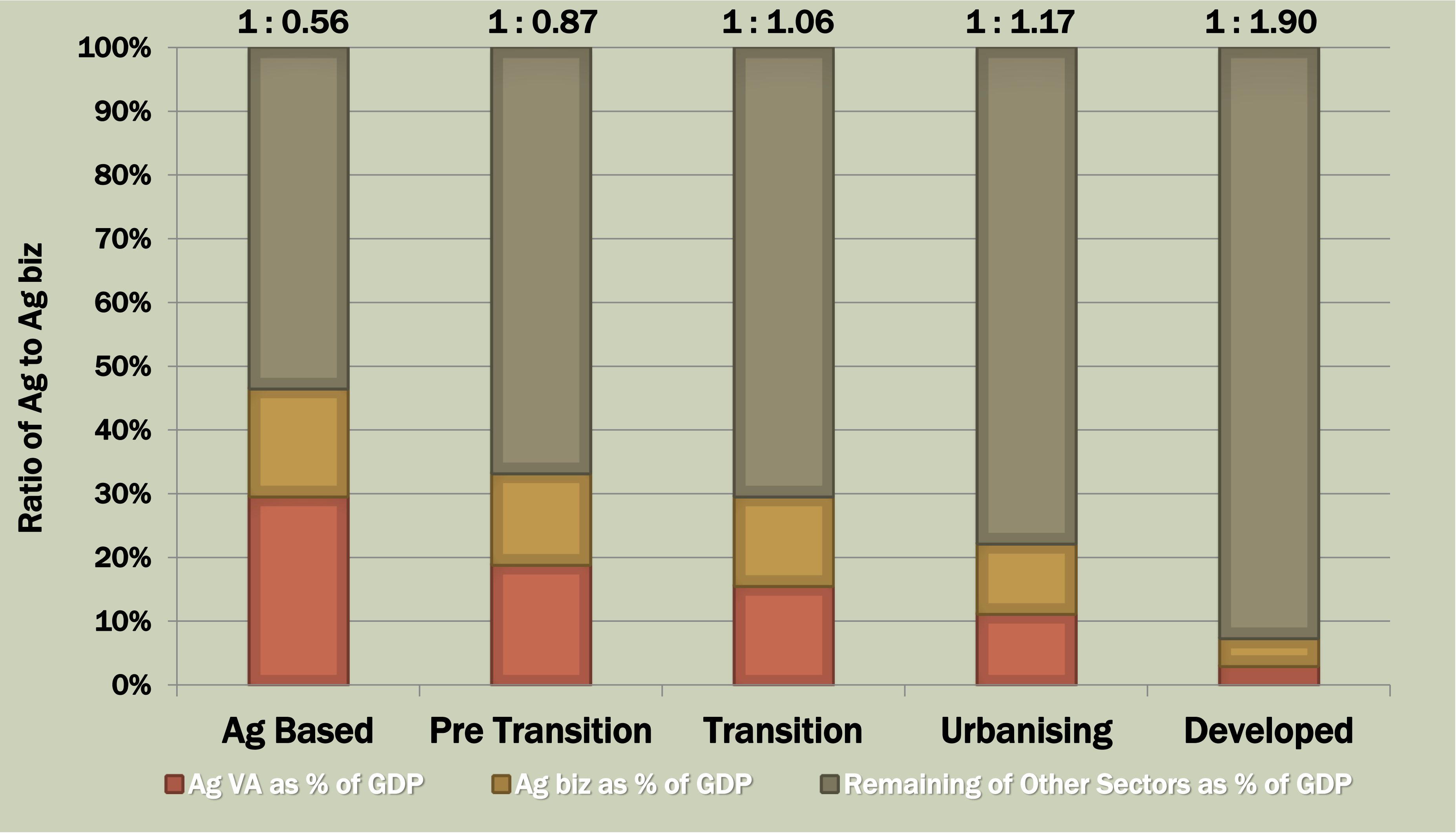
Sub Saharan Africa

South Asia

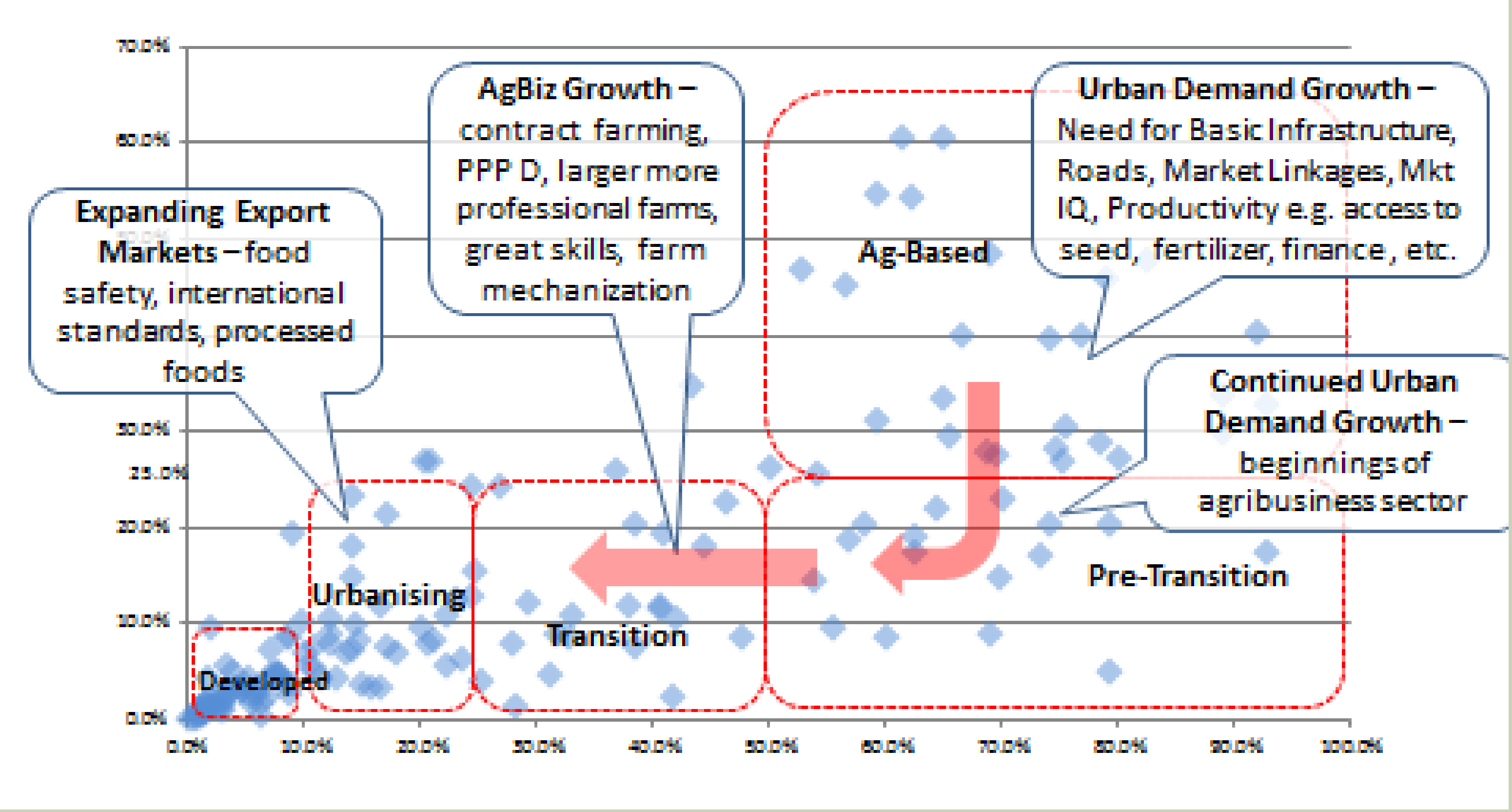


Lin
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
Agriculture VA as % of GDP
Sri Lanka, 1980
Indonesia, 1980
India, 1980
Malaysia, 1980
Thailand, 1980
Philippines, 1980
0
0.1
0.2
0.3
0.4
0.5
0.6
0.7
0.8
0.9
Economically Active in Ag as % of Total Economically Active Population
Lin
1980

AGRICULTURAL VA AND AGRIBUSINESS VA
(AS % OF GDP, AND THEIR RATIO TO ONE ANOTHER)

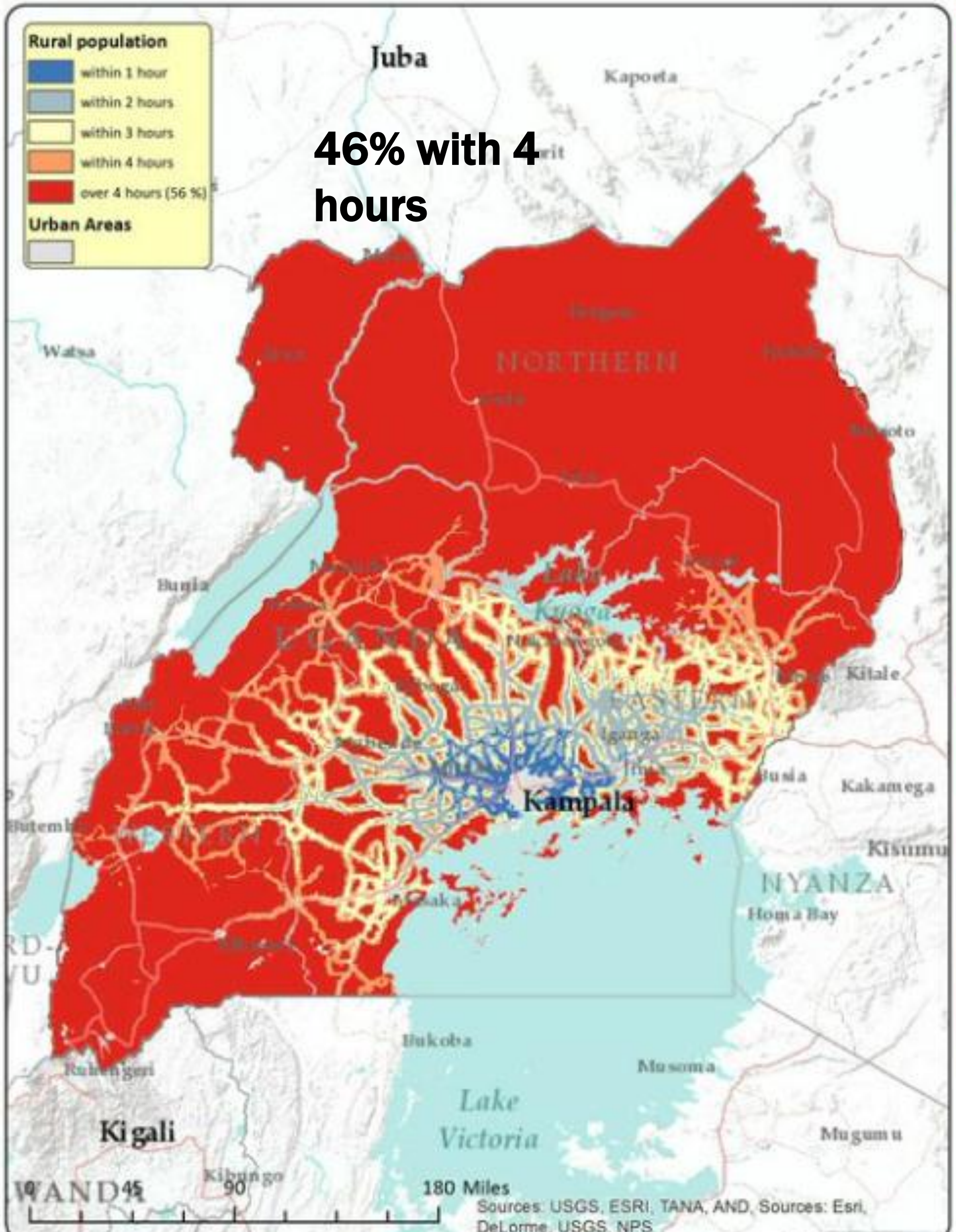


POLICY IMPLICATIONS FROM THE ATM



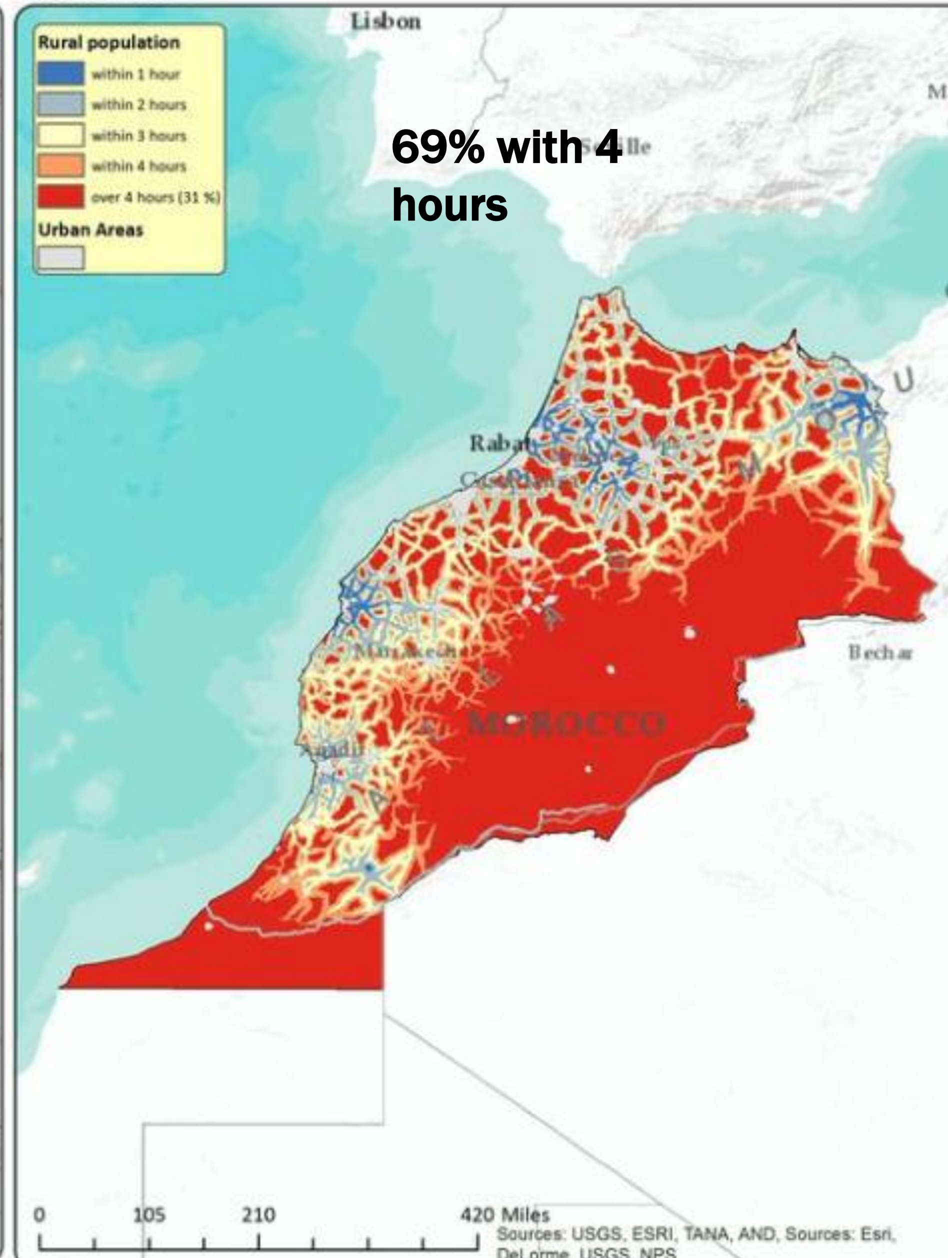
Rural population & travel time to the nearest city over 250 k in population

UGANDA



Rural population & travel time to the nearest city over 250 k in population

MOROCCO



BUILDING ON LEARNINGS

BENCHMARKING THE BUSINESS OF AGRICULTURE

Thank you