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RESULTS OF REFORMING AGRICULTURAL STATISTICS UNDER TRANSITION

NEW LEGISLATION ON STATISTICS

Document submitted by the Ukrainian Ministry of Statistics

1. Under difficult economic conditions, as the entire Ukrainian economy undergoes reform and the transition to a market basis, the role of statistics has been increasing significantly, and the relationship of statistics to both commodity producers and government bodies has grown more complicated. For it is precisely in such conditions that up-to-date and reliable reflections of reality are needed in order to take the right decisions.
2. Realizing the importance of statistics to the life of the nation, after independence Ukraine formulated and in September 1992 adopted a National State Statistics Act. The Act governs legal relations in the statistical domain and primary accounting, lays down the powers and functions of State statistical bodies and establishes the groundwork for a Ukrainian State information system.
3. The Act extends to all bodies corporate operating in Ukraine, to Ukrainian bodies corporate outside the country, and to all physical persons resident in Ukrainian territory.
4. The Act specifies that State statistics in Ukraine are maintained by the Ministry of Statistics and by State statistical bodies in the Autonomous Republic of Crimea, the regions, districts and towns, all of which function in accordance with regulations approved by the Cabinet of Ministers. State

statistics are also kept, however, to an extent established by agreement with the State statistical bodies and using approved State reporting procedures by ministries, governmental departments and other legal entities for use within their spheres of competence.

5. Under the State Statistics Act, all statistical observations conducted under the statistics plan approved by the Cabinet of Ministers are financed from the State budget. Additional work is financed by the entities commissioning it.

6. The Act requires all bodies corporate and individuals engaged in entrepreneurial activity to make available, free of charge and in full, all necessary and trustworthy data, within established time limits, following approved procedures.

7. Primary data are used as a rule in statistical compilations, compendiums, reports and the like. Information on citizens may be used only in aggregate form or anonymously; State and commercial secrecy must be respected in the use of information on bodies corporate.

8. The Act also clearly defines the rights and obligations of the State statistical bodies and other bodies using statistics, and makes breaches of those rights and obligations an offence.

9. The adoption of market relations in the Ukrainian economy has necessitated the reorganization of the system of accounts and reports and the development and introduction of statistical indicators which can describe the course of economic reform generally, and in agriculture in particular. Refinements to the methodology for compiling basic agricultural indicators and to the system of statistical observations have been made on the basis of the State programme for transition to the international system of accounting and statistics, which is one of the principal regulatory instruments for statistical bodies. All work over the past four years has been devoted to the execution of this programme.

10. International comparability is already a feature of all physical and most cost indicators in the agricultural sector. Among other things, the methodology for calculating gross output and crop yields has been improved and that used for calculating areas sown has been changed: gross output of grain has been converted from the weight initially recorded to weight after treatment, and gross sugar beet output (factory delivered), from physical weight to chargeable weight (without soil, tops and impurities). Although these conversions reduce gross output figures, they make the figures more accurate, reflecting actual yields. The calculation of crop yields from crop area has been replaced by a new calculation of yield per hectare harvested, account being taken of successive and interplanted crops. Following the programme of the FAO Statistical Yearbook, additional indicators for fruits and vegetables have been introduced in order to obtain more specific data on fruit and vegetable output. All indicators for previous years have been converted region by region.

11. The Ukrainian Ministry of Statistics has developed and adopted a method of calculating farm output in value terms without double counting, i.e.

excluding consumption within the sector. Quarterly and annual calculations of gross value-added in agriculture and fisheries have been performed in the system of national accounts for the country as a whole, and a methodology developed for introducing such calculations at the district level. Following the currency reform in Ukraine in the autumn of 1996 and the establishment of a stable national currency, it has become necessary to revise the prices compared in calculating gross agricultural output. A method for determining comparable prices has been developed, and over the course of 1996 calculations of agricultural output will be conducted using both the traditional and the new method.

12. The methodology for calculating balances of staple agricultural products, taking account of imports and exports, has been refined. There is, however, problems with counting imports and exports of foodstuffs while the country's borders are porous and much commerce goes unrecorded, while the proportion of "shuttling" in total foreign trade increases year by year.

13. Work has been done on changing the quality characteristics of indicators of basic commodity consumption: daily per capita calorie intake, food protein and fat content of food and a number of indicators of daily consumption of micro- and macro-elements are calculated, allowing for a more probing analysis of the mix of goods consumed. Alcoholic beverages are included in daily calorie intake, and tea and coffee are counted among the stimulants.

14. Methods of gathering information have also been revised in connection with the economic changes in Ukraine. Sample survey methods have come into use, and more frequent use is being made of indicators. This applies in particular to surveys of small new economic entities. New surveys include smallholdings (farms) (once or twice a year), privatized businesses, and monthly calculations of livestock numbers and farm output by new small farms and smallholdings.

15. The switch to sample surveying gave final shape to the concept - known in theory but little used in practice - of a "threshold" size for private farms. While comprehensive statistics were still gathered, a similar concept defined farm size by reference to one feature only - the availability of farming land. The threshold value was 50 hectares of land for farms in the public sector. Output on smaller farms was calculated from the mean values for similar products on neighbouring large farms.

16. For the establishment of a database on the activities of smallholdings (farms), a register based on the unified State registry of businesses and organizations, has been set up. It was used in 1996 in a sample survey of smallholdings (farms), using a methodology developed with experts from the US Department of Agriculture National Agricultural Statistics Service (USDA NASS).

17. This was a trial project covering a quarter of the country and every fifth private farm. Analysis of the material gathered showed that:

- (i) the number of farms submitting reports was extremely high, at 98% of those sampled;

- (ii) the number of farms reporting no or partial information on their economic activities in 1996, reached 1 in 3 in certain districts;
- (iii) given that the sampling percentage was high, the farms not reporting economic activity were not excluded from or replaced in the sample;
- (iv) farms are coming into existence unevenly in different parts of Ukraine, depending on socio-economic and geographical conditions. Some district administrations had records of every farm in their area;
- (v) the three-tier hierarchy of State authorities (national, regional and district) during the transition period makes it necessary for State statistical bodies to provide local government authorities with statistics covering their district. This is possible when comprehensive statistics are kept, as was traditional in the former USSR, but loses its advantages and economic attractiveness with sample surveys when for completeness' sake it is necessary to sample not at the second but at the third (district) level - as distinct from western countries where the samples are designed for studying developments at two levels - national and provincial.

18. A method has been developed to monitor changes in farm output and sales of produce, and monthly calculations of livestock production and livestock and poultry numbers for the entire private sector have been introduced.

19. Statistical reports and sample surveys are being used to monitor and analyse the outcome of privatization in the agricultural sector and its economic consequences. Quarterly (livestock production) and yearly (crop) computer analyses of information on the activities of privatized farms have been introduced.

20. This kind of analysis does not require additional information to be gathered. Each de-Statized (reformed) farm just needs to provide one extra piece of information on the reporting form. With the help of a computer and some software they can then be grouped together in all indicators for reporting units processed by State statistical bodies. Not only does this allow reform in the agrarian sector to be monitored from the quantitative standpoint, it also permits comparison of qualitative indicators relating to farms that have changed their form of ownership.

21. The introduction in Ukraine of the System of National Accounts makes it necessary to refine the methodology for calculating gross output, intermediate consumption and gross value-added in agriculture, forestry and fisheries district by district, and this is being worked on at the moment.

22. One important problem in Ukraine's current difficult economic circumstances is how to account for output and services in the grey economy. A clear methodology for the statistical study of the grey economy must be developed, notably in the agricultural sector.

23. One of the main problems overall is how to incorporate Ukraine into the series of worldwide agricultural censuses, the next of which is to be conducted in the year 2000. Ukraine's statistical bodies regularly conduct comprehensive and sample surveys on agricultural topics such as areas sown to crops per head of population and numbers of livestock belonging to the urban population. An important undertaking planned for 1997 is a survey of permanent crops on farms of all categories, besides a 20 per cent sample survey of land sown to crops on subsidiary holdings and private farms. Although such surveys have been conducted in Ukraine for years, this will be the first time the materials have been assembled under the Programme for the World Census of Agriculture. It will therefore be necessary to deal with a number of methodological issues, such as drawing up a census programme combining the features of national statistics and the Programme for the World Census.

24. Since the system of statistical indicators, and farm data collection and processing methodology do not match those in the Programme for the World Census, it would be helpful from our point of view to receive additional assistance from international statistical organizations.

25. Recently there has been a tendency to expand cooperation and strengthen ties between the statistical bodies in the Ukraine and international organizations. The Ukrainian Ministry of Statistics has been working closely on agricultural statistics with the US Department of Agriculture National Agricultural Statistics Service, and on a number of topics with the German Federal Statistics Department. Under these arrangements the United States and Germany provide the Ukrainian Ministry of Statistics with technical assistance and train Ukrainian staff in obtaining up-to-date and reliable statistical information in the agricultural sphere. Contact is also being maintained with the United Kingdom statistical services.

26. The Ukrainian Ministry of Statistics regularly supplies information to international organizations such as the Food and Agriculture Organization of the United Nations (FAO), the Organization for Economic Cooperation and Development (OECD), the Economic Commission for Europe, the European Statistical Service, the International Bank for Reconstruction and Development and the World Bank.

27. Special mention must be made of the substantial assistance afforded during a visit to Ukraine by the FAO expert, Mr. E. Gillin. He lucidly expounded the principles of index calculation for food and farm output and spelt out all the other methodological points relating to the system of indicators presented in the FAO Production Yearbook: the calculation of livestock production indices in live and carcass weight; the evaluation of food holdings and consumption per capita; and approaches and standards used by FAO experts to calculate daily calorie intake.

28. Considerable attention was also devoted to the forthcoming World Agricultural Census in the year 2000 and the methodology behind indicators of Ukrainian foreign trade in food and farm produce. Such assistance is doubly precious given that Ukraine is not even a member of FAO.