

Classifications and agriculture statistics

Joint ECE/Eurostat/FAO/OECD
Meeting on Food and Agriculture
Statistics in Europe
Geneva, July 2003

Overview

- Improving the status quo in product and activity classifications
- New issues for consideration within these classifications
- Issues that can be addressed through new classifications

Context

- CPC revision planned for 2007 (along with CPA in Europe)
- NAPCS version 1 slated for release in 2007
- ISIC revision planned for 2007 (along with NACE)
- NAICS to be revised as well
- Consultation phase for these revisions now in process

Process

- For CPC and ISIC, UN is responsible, acting through UN Statistics Division
- Assisted by Expert Group on Social and Economic Classifications, Technical Subgroup
- UN country questionnaire
- NACE-NAICS Convergence project
 - Europe and North America to coordinate their revisions and input for ISIC revision

Improving status quo

- Product classifications by far most used in agriculture and agri-food statistics
 - FAO commodity codes, CPC, HS
- Activity classifications not as widely used but still relevant
 - ISIC
 - NACE, NAICS

Issues for product classifications

- Adding new and emerging products
 - Which products? To which classifications? By what process?
- Bringing better coherence between classification systems
 - Can/should CPC and FAO commodity codes be better aligned?

Issues for activity classification

- Groupings in activity classifications can be defined by product, process, or both
- In agriculture and food, ISIC groups are product-based
- Keep CPC and ISIC “in synch”
- Add detail to ISIC in the agriculture area
- Treatment of mixed farming
- Several boundary issues

Emerging issues

- ... that can be addressed in existing product or activity classifications
- in product classification
 - GMO/non-GMO distinction
- in activity classification
 - organic farming
 - agriculture production process
 - special aggregation for agri-food

GMO

- Need to track extent of use of GMO, by crop type
- GMO is characteristic of products, as inputs and as outputs
- Best handled through product classifications by adding GMO alongside non-GMO counterparts
- Sufficient long-term need at this time?

Organic farming

- Organic farming seen as a different production process: different inputs, different techniques
- Can be reflected in an activity classification by introducing classes defined according to process
- Is there sufficient consensus on definition?
Is there sufficient long-term need?

Agricultural production process

- Very different technical processes produce the same products: elemental, traditional, mechanized, intensively mechanized
- In product defined activity classes, cannot distinguish between these forms of agricultural activity, which are of significant analytical uses and relevance
- Any value to introducing such distinctions?

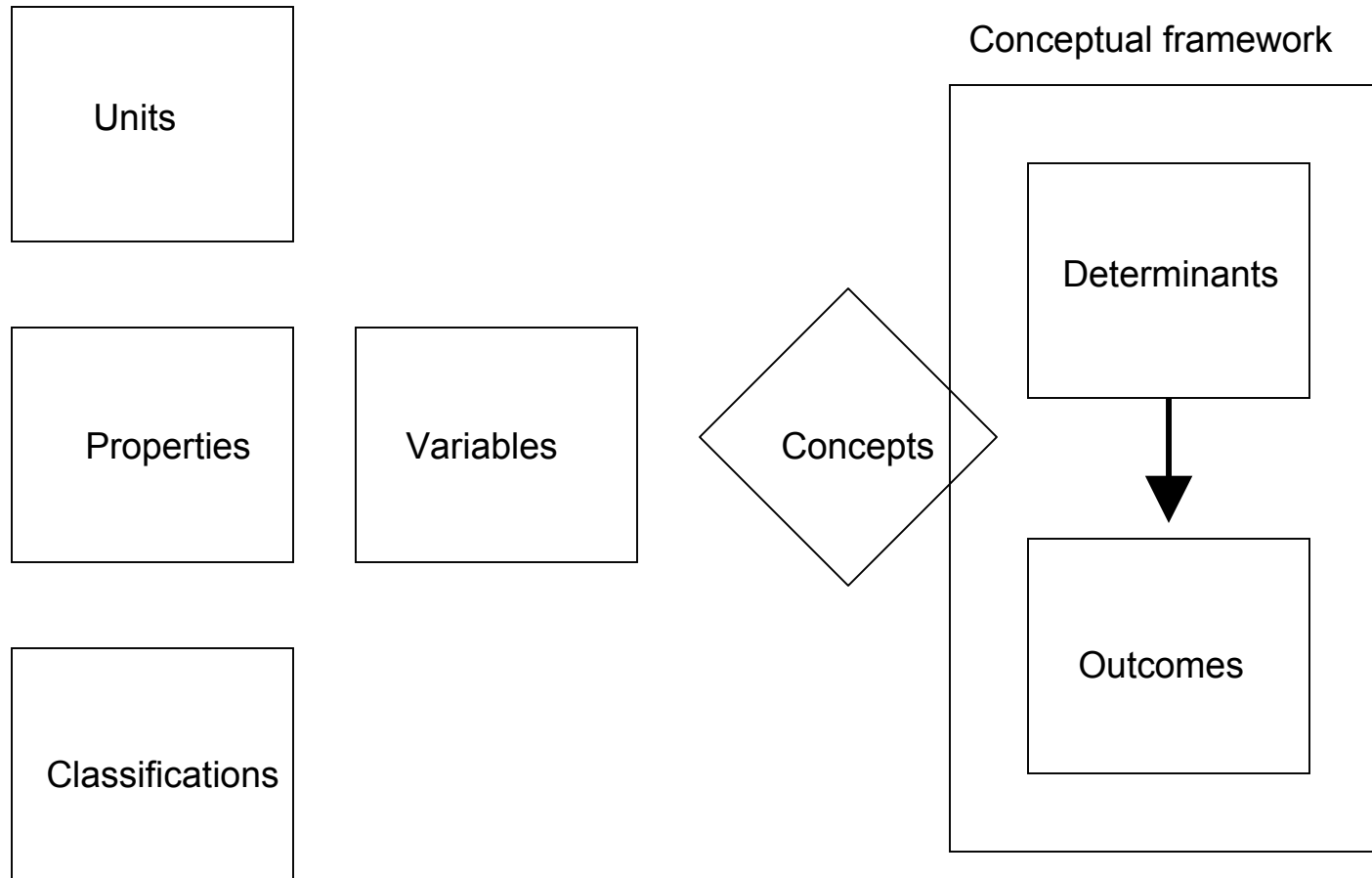
Special aggregations

- Agri-food: can a standard set of ISIC industries be internationally recognized as comprising the agri-food sector?
- Can joint ECE/FAO/Eurostat/OECD provide forum for consensus building?

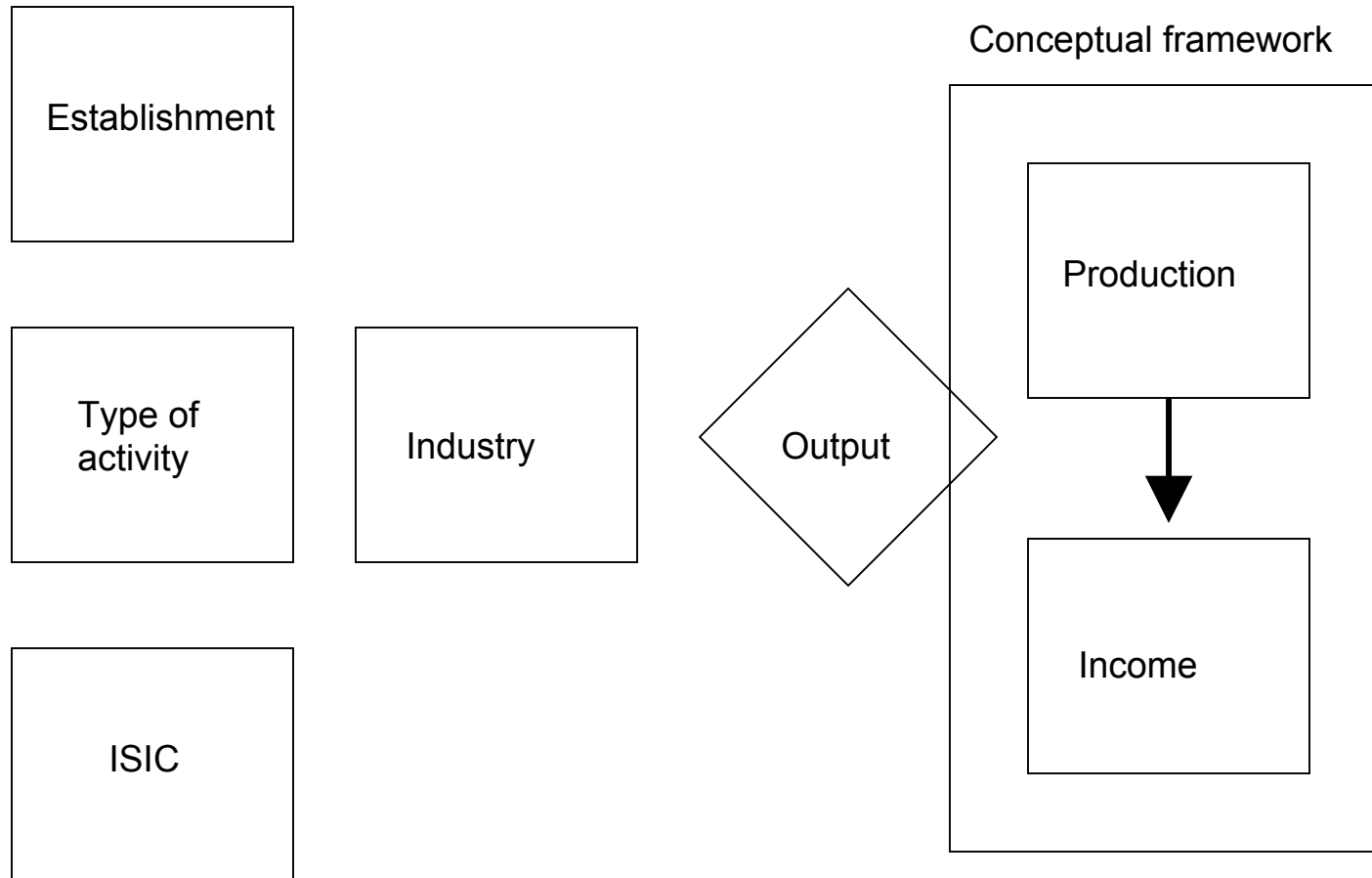
Other dimensions

- Many emerging issues cannot be analyzed through traditional classifications
- In some cases, new conceptual frameworks need to be developed before classifications can be elaborated

Frameworks and models



Production model



Extensions to production model

- Technology use (innovation): Standard classification of technologies?
- Research and development (knowledge creation): Standard classification of fields of science?
- The “life science” economy: satellite account?
- Farming practices: Classification of production processes?

Development of new frameworks

- Rural development
- Agriculture and the environment
- Food supply and food safety

Rural development

Determinants

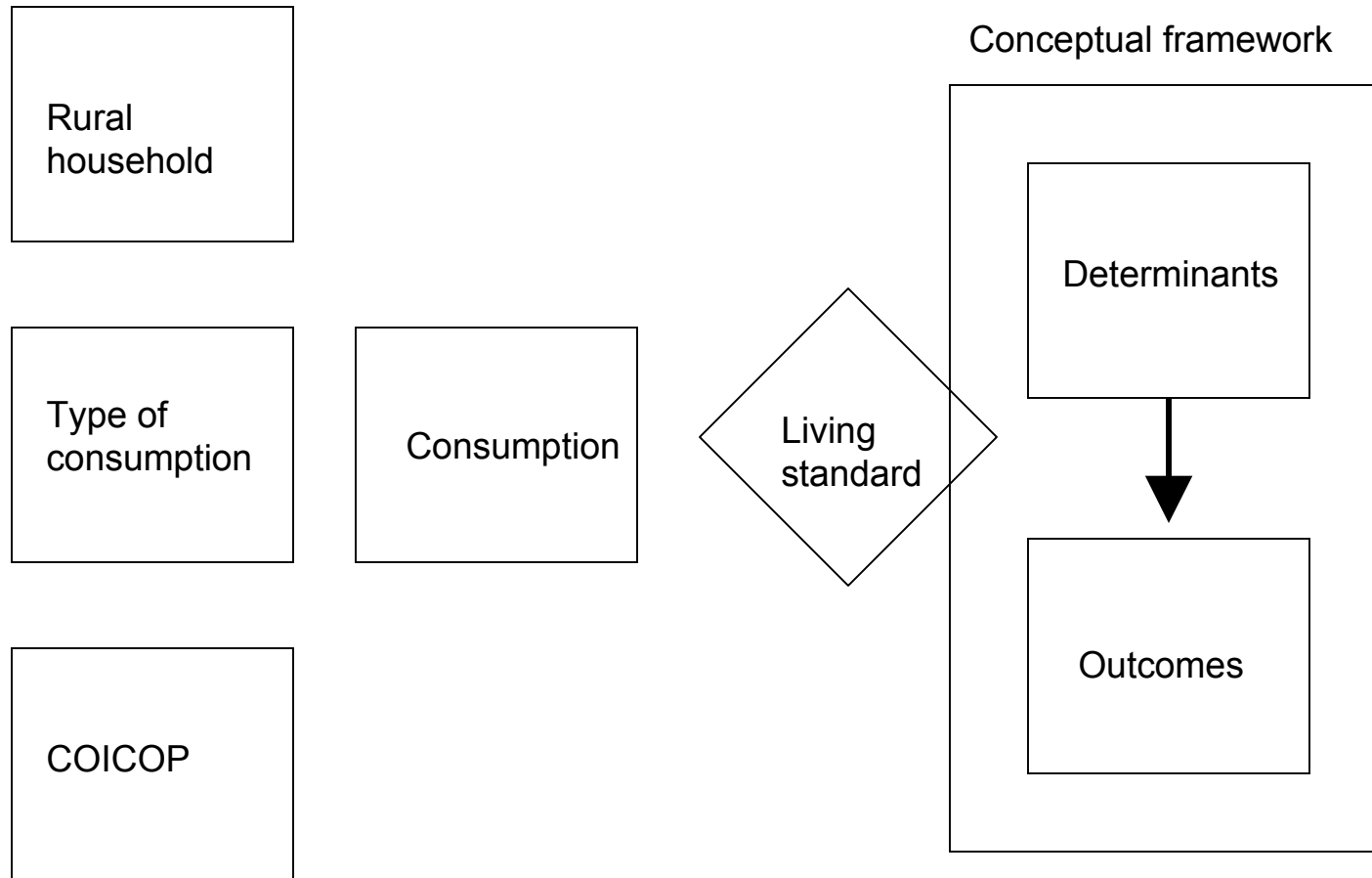
- Volume and type of economic activity
- Volume and type of employment
- Volume and type of infrastructure services
- Volume and type of land resources



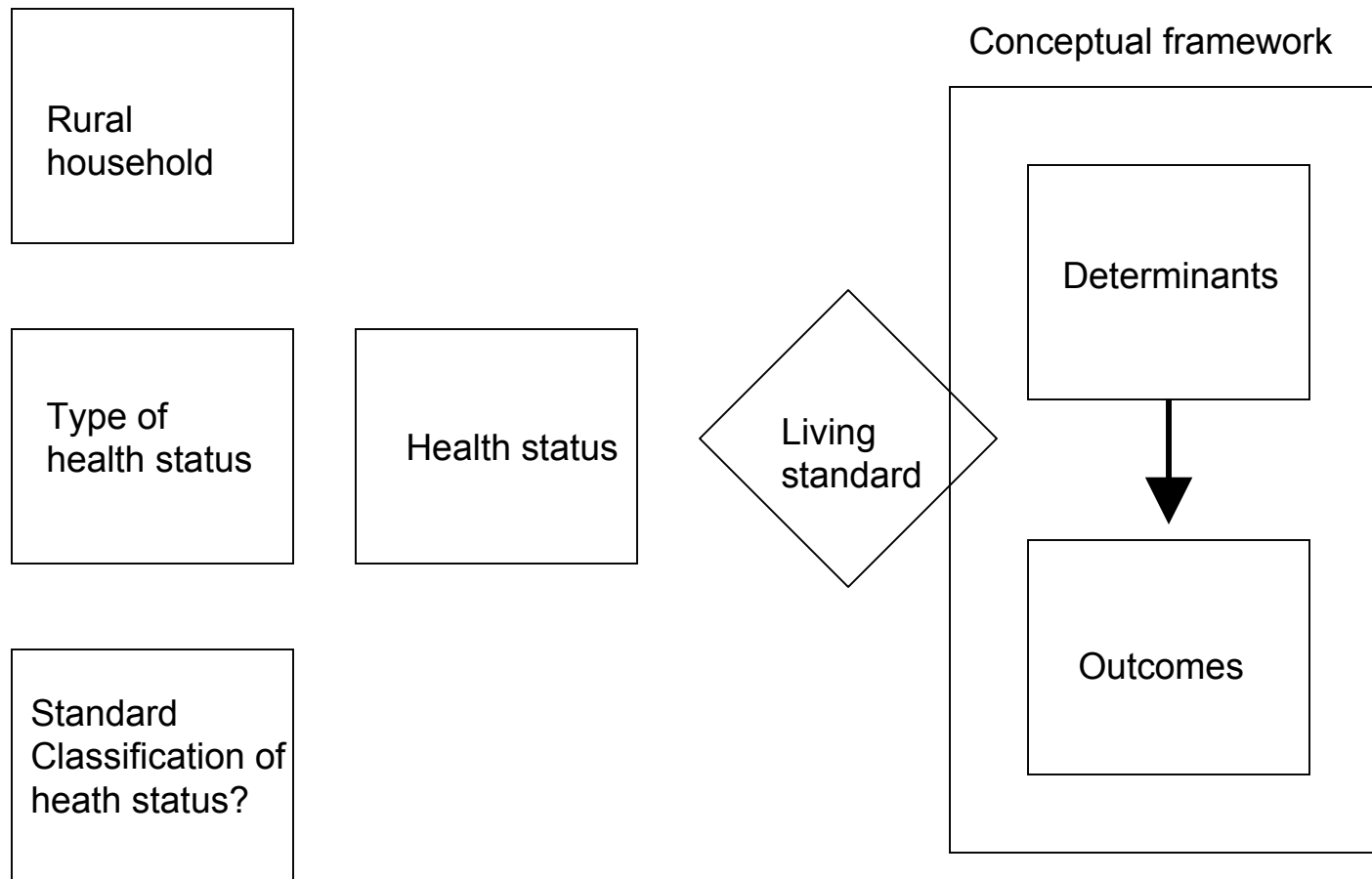
Outcomes

- Share of rural population stable or increasing
- Living standards of rural population improving
- Rural GDP rising
- Sustainable use of natural resources

Rural development model



Rural development model



Agriculture and the environment

- Conceptual framework can be adapted from work on Economy and the Environment?
- Unit issue: The farm as an economic, social and physical entity
 - Economic ---> standard SNA type variables
 - social ----> standard socio-economic variables
 - physical ---> location, size class, farm type, soil type, land use

Food supply and food safety

- Concepts: production, (volumes, type and methods) distribution, storage, inspection, certification, removals from supply chain, consumption, nutrition, health (ill health, disease, mortality)
- Fill in the boxes and connect the dots...

Conclusion

- Product and activity classifications are useful tools to help us analyze agriculture as an economic activity
- Both can be improved to deal with some of the emerging issues in this field
- Both have good infrastructure for maintenance and revision
- But they cannot do everything!