SUMMARY REPORT
of
The Joint National Workshop on rice data for Thailand and the Philippines

"Strengthening Agricultural Market Information in Thailand and the Philippines" (MTF/RAS/359/JPN)

INTRODUCTION

1. The Joint National Workshop on "Rice Data for Thailand and the Philippines" under the project Strengthening Agricultural Market Information in Thailand and the Philippines (MTF/RAS/359/JPN) was held on 16-17 December 2013 at Sukosol Bangkok Hotel in Bangkok, Thailand.

2. The Workshop garnered 29 participants, including delegates from the Philippines, Thailand and the Food and Agriculture Organization of the United Nations (FAO). The full list of participants is included in ***Annex 1***.

3. The Workshop Agenda is as per ***Annex 2***.

Agenda Item 1 Opening Session

4. Mr. Kimihiko Eura, Project Coordinator (MTF/RAS/359/JPN) welcomed participants and recalled the objective of the project: to improve the capacity of Thailand and the Philippines to deliver accurate statistics, effectively monitor rice markets and produce relevant data on food security, particularly on rice as the main staple in the ASEAN region. He noted that the project, funded by Japanese government, was launched on November 2012, as a capacity development activity under the Agricultural Marketing Information System (AMIS). AMIS is a G20 initiative to enhance food market transparency and encourage coordination policy action in response to market uncertainty. FAO is assisting member countries to collect, analyze and disseminate quality and timely agricultural and food statistics through initiatives such as AMIS, the Global Strategy to Improve Agricultural and Rural Statistics and the Integrated Food Security Phase Classification Project. FAO is committed to supporting member countries improve their food security information by boosting their statistical capacity. The full text of the Opening Remarks is contained in ***Annex 3***.

Agenda Item 2 Context and relevance of AMIS activities and data requirements, other capacity building projects under AMIS

5. Ms. Shirley Mustafa, FAO Economist, provided an overview of AMIS and Ms. Carola Fabi, FAO Statistician, gave a presentation on capacity development initiatives under AMIS, which is contained in ***Annex 4***.

6. The workshop took note of the importance of AMIS activities, the linkages across the various capacity development projects and their current status.

Agenda Item 3 Rice supply and demand situation in the Philippines, description of the distribution and marketing chain

7. Ms. Maria Carol G. Duran, Statistician IV and OIC Agricultural Accounts and Statistical Indicators Division, Bureau of Agricultural Statistics of the Philippines (BAS) presented the Supply Utilization Accounts (SUA) in the Philippines. Ms. Alegria A. Mota, Statistician III, Agricultural Marketing Statistics Analysis Division, BAS, then elaborated on the Marketing Information Available at BAS, while Mr. Joseph Y. Dela Cruz, Assistant Administrator, Marketing Operations at the National Food Authority of the Philippines (NFA) presented the Government Rice Marketing and Distribution System in the Philippines. The respective presentations are included in ***Annex 5***.

Discussion

8. Participants discussed the definition of demand-side elements in the rice balance, in particular the treatment of processed food products. The BAS indicated that the Philippines' SUA was constructed on a milled rice basis and that re-allocating quantity that had undergone further processing to the food element constituted a challenge. The utilization parameters in use by BAS were devised in the 1990's and needed updating, but a taskforce had already been created to do so.

9. Participants inquired about quantities maintained as buffer stock by the Philippines. The NFA specified that it was mandated to maintain the equivalent of 15 days' worth of consumption at any given time. However and in order to ensure no rice shortages occur, the equivalent of 30-days' requirements must be maintained by the NFA at the start of the lean season (July-September) on 1 July. All together, stocks held by the commercial, household and public sector must be sufficient to cover 90's worth of consumption by the same date.

10. Participants also deliberated on reference periods used, in relation to the timing of stock assessments and the start of the rice harvest. The BAS noted that for AMIS purposes the Philippines' SUA is constructed using a July-June marketing year, as 1 July is presumed to coincide with the period at which stocks are at their lowest. However, it was noted that this assumption may not hold true since the bulk of the rice harvest is collected as of October.

11. With regards to the price surveys conducted by the Philippines, AFSIS commented that there is no problem for survey structure and frequency but sample size may be too large so that a fixed smaller sample is recommended. BAS responded that given the frequency of the survey and the large number of commodities it covers, a fixed sample for each commodity is sufficient, especially since prices do not tend to vary much within sampled areas. Non sampling errors are managed through various means, including the data review and validation system, where all results undergoes an intensive review at the provincial and regional levels and is compared with information from various other sources, including data collected for operational purposes. The review process is assisted by automated routines. BAS staff back-check results and accept data only once it is believed to be free from error.

Agenda Item 4 Rice supply and demand situation in Thailand, description of the distribution and marketing

12. Mr. Sakon Wanasethi, Economist, Bureau of Agricultural Economics Research, Office of Agricultural Economics of Thailand (OAE) gave a presentation on the rice supply and demand situation in Thailand and provided a description of the rice distribution and marketing chain included in ***Annex 6***.

Discussion:

13. FAO inquired about Thailand's estimates of food use and whether these took into account rice-based processed foods, out-of-home consumption and wastage occurring at the household level. Officials were additionally asked whether post-harvest losses were included in domestic utilization assessments. Officers from the OAE indicated that food use estimates were derived from household surveys conducted by the National Statistical Office (NSO) and that neither harvest nor post-harvest losses were included in the rice balance. With regards to harvesting losses, it was noted that these were estimated at 15% for mechanized systems and at 5% during manual harvesting.

14. FAO recalled that under a separate project, Thailand's food balance sheet had been revised to reconcile differences in assessments between the NSO and FAO. FAO asked whether the rice balance presented at the workshop was in line with figures produced during this exercise. The OAE responded that the balance was from own calculations and that information from other sources, such as the Rice Association, was also used to complement their assessments.

15. FAO requested clarification on the role of brokers in marketing rice in Thailand and what type of information they supplied. The OAE explained that rice brokers were essentially middlemen and that they mostly provided descriptive information. However, the Rice Association was just one of the many channels used by the OAE to acquire information. With regards to food use, officials indicated that since the last nation-wide household survey in 2011, consumption per capita was 92.2 kg (milled rice). Thailand Development Research Institute (TDRI) also uses this data.

Agenda Item 5 Rice production and stock survey in the Philippines

16. Ms. Jacinta U. Estrada, Statistician III, Crops Statistics Division, BAS and Ms. Rosalinda M. Garcia, Statistician III, Statistical Methods and Research Division (BAS) presented the rice production and stock surveys conducted in the Philippines and Ms. Erlinda D. Causon, Division Chief, Marketing Research and Statistics (NFA) gave a presentation on the Commercial Stock Survey, as per ***Annex 7***.

Discussion

17. FAO inquired whether commercial farming households were also surveyed. The BAS responded that surveys were conducted at the barangay level and that both small and large-scale farming households were captured. Only seed production operators were excluded from the surveys. They also noted that although the surveys' frame is based on the 1991 Census of Agriculture, the BAS has kept track of respondents and updated its lists accordingly.

18. FAO inquired about the stock survey's institutional framework and what assurances information was given to respondents regarding confidentiality and treatment of potentially sensitive information. The NFA explained that commercial entities were legally mandated to disclose stock information and that this ensured their cooperation and the accuracy of information provided. They also indicated that there is a general

awareness of the importance of stock data and its use by Government, including for forecasting, assessments of potential shortages, determining import requirements and whether government intervention is warranted. The free availability of stock data, which is posted on websites and accessible to the public and private sector, further prevented information from being manipulated.

19. FAO asked about the quality control measures put in place to monitor survey outcomes. The BAS replied that quality was monitored at the provincial, regional and national levels, including through updates to the list of sampled households to take into account relocations and other such factors and through consistency checks during interviews and at the data entry/editing level.

20. AFSIS commented that the sample size of 12,594 households for production survey and 15,286 households for stock survey may be too large, especially since rice is a very stable crop. The BAS noted that the large sample size was important because of the need for sub-national level data, since each province is mandated to manage their food security needs. The NFA added that considering the geography of the Philippines, which is divided into three islands, sub-national level data was critical to position government stocks, especially in areas dependent on rice and where private sector presence is limited.

Agenda Item 6 Crop cutting survey and area survey in Thailand

21. Mr. Songklode Chanakai, Division of Field Crop Information, Centre for Agricultural Information (CAI), OAE presented on the Yield Survey of Paddy Rice and Ms. Jatuporn Nontasiri, Professional Statistician, Division of Geographic Information System, CAI, OAE presented the Geo-Informatics for Agricultural Data, which appears as ***Annex 8***.

Discussion

22. Additional methodological information was asked during the discussion. The crop-cutting survey has been implemented since 2003 in parallel to the interview survey. OAE compares, analyses, discussed and reconcile results from the two surveys. Ultimately, official yield data comes from the survey with the lower sampling error and surveys are similar in terms of statistical significance. Crop-cutting surveys are also used to validate results from the interview survey.

23. BAS inquired on what methodology is cheaper, crop cutting or the other survey. OAE responded that the crop cutting is cheaper.

24. FAO inquired on the enumerators. OAE responded that enumerators are local OAE officers complemented by volunteers in in some local areas. Volunteers are received some training before they undertake and data collection. Farmers receive a compensation of 200 Baht for participating in the survey and therefore there is good collaboration. BAS informed the Workshop that in a technical assistance project in Nepal, they let the farmers do the cutting to measure yield as in real circumstances.

25. FAO inquired if OAE officially using Geo-informatics data from remote sensing. OAE responded that the method is still at an early stage: a case study was piloted in Singburi and Angthong, and they will expand in other region.

26. BAS inquired on the technological obstacles in implementing this in big scale or mainstreaming activities. OAE responded that it is the cost of the technology and the people because there are few people who have this capacity. OAE can currently use

LANSAT 7 images for free, but radar images, a necessary alternative in the presence of cloud cover, must be paid for and are expensive. Also satellite images resolution is too low for full scale implementation. OAE is exploring opportunities and using the pilot survey to analyze results. BAS concludes that there is a potential for these technologies but there are also limitations.

27. FAO commented that ALIS is a simple method for ground truth survey, and Philippines already introduce ALIS to pilot in one province. BAS responded that they have piloted ALIS to one province and another province to pilot ADB's project then they compare. This is a good area for research we could explore.

Agenda Item 7 General Discussions

28. BAS commented that developing and testing new survey methods while keeping the household survey as official method provides an opportunity that Thailand can use to compare data and results.

29. FAO asked further details on Thailand's stock survey and data. Unfortunately this work is under the responsibility of the Ministry of Commerce and stock data are highly confidential. Stock information is partially used for compiling the commodity balance sheet. As for household stocks, OAE has no plan to conduct stock survey at household level, but this could change should change due to new policy needs.

30. FAO commented that four different estimates of Thailand's stocks , are compiled by the USDA, FAO Food Balance Sheets and the AMIS, but all are based on each agency assumptions and not on national estimates.

Agenda Item 8 Stock estimation methods and discussions by Prof. Philip Abbott, Department of Agricultural Economics, Purdue University, USA

31. Prof. Philip Abott, International Consultant, Department of Economics, Purdue University presented the paper on Improved Methodology for Estimation of Food Stocks, which appears as ***Annex 9***.

Discussion

32. The floor was opened for participants to provide inputs on what can be added or suggested to the guidelines for stock estimation, or what is lacking and needs to be strengthened.

33. BAS raised the issue of the choice of the reference period, inquired on the difference between crop year and marketing year, and on the definition used in AMIS.

34. FAO commented that it is just a matter of terminology, crops year essentially coincides with the beginning of the harvest at main crop season, and the marketing year with the month that contributes to most of the production.

35. BAS stressed that it is important to have stock information at the beginning of the new crop year. Also, based on its experience BAS commented on the alternative methods: survey or disappearance method, i.e. deriving stocks as a residual. The only advantage of the latter is that it is easy to estimate and practically does not cost anything whereas the survey is costly. However, when considering the use of the data, residual estimates allow us to come up only with annual national figures, whereas the survey allows for

greater frequency, scope and coverage. If one needs stock information down to the provincial level, this cannot be done through residuals.

36. BAS raised another concern related to the unit of measure or grain equivalent. It is relatively straightforward to account paddy and milled rice, where quantities are usually in rice equivalent since it is the common form except when on the field. But there is an interesting case for corn that is used mainly for feed and not for food. In the commodity balance, the utilization part of the corn is feed, but feed in corn-equivalent could come from the yellow grain as well as cassava, wheat and other feed stock. It is therefore impossible to determine carry-over stocks for corn because it is impossible to convert back corn-equivalent into its originating commodities. It becomes a problem for the Philippines to understand if the country is self-sufficient in corn grain and if it can export. This problem arises only happens when one uses the "disappearance" method while a stock survey on corn grain provides the necessary information.

37. FAO commented that for USDA corn mixes with bran or other compound feed are no longer taken as corn grain stock. It could eventually be accounted as animal feed stocks. Corn sold in the form of feed is also not included as stocks. Feed mixtures are not relevant for food security purposes, where one looks at commodity balance. BAS commented that the while corn stocks mean corn grain as part of food supply, corn used for feed is relevant in the utilization part of the commodity balance.

38. BAS seek clarification on record keeping approach from farmers. FAO responded that the enumerators do not ask of history, so you can ask on the stocks in a particular time.

39. FAO asked OAE to clarify what stock information is collected through their interview survey. OAE responded that the survey includes some questions farmers' plans and behavior with respect to the previous harvest. Questions aim at assessing what part of the harvest is still on-farm whether for own consumption, seeding or marketing.

40. BAS asked whether Thailand could develop a methodology to study stock survey as FAO recommended, and raised an issue whether there is a need for Thailand for this kind of information.

41. NFA commented on the difference between Thailand and the Philippines. Thailand is highly self-sufficient and therefore does not need stock data for food security purposes. The gain could come from improved production and trade policies as in Canada. Thailand may not have food security issues but market transparency may be an issue on the trade balance.

42. FAO and BAS commented that to obtain reliable residual estimates, one needs reliable information on all utilizations. Data quality in the disappearance method therefore depends on the amount of investment on all other variables.

Agenda Item 9 Presentation of the project next activities and next step

43. Mr. Kimihiko Eura, Project Coordinator, MTF/RAS/359/JPN, FAO presented the project next activities, which appears as ***Annex 10***.

Discussion

44. BAS inquired on what kind of country level and field work activities could be supported by the project. FAO responded that activities include hiring consultants for technical assistance and methodological developments, pilot tests, analysis and training.

45. All the activities will require in-kind contributions from the countries in terms of staff time.

Agenda Item 10 Work session: Country planning and identification of areas for methodological improvements and training

46. The workshop split into two groups where each country discussed and identified activities for 2014.

Agenda Item 11 Presentations of Country Plans and Training Needs

The Philippines

47. Ms. Rosalinda M. Garcia presented the workshop outputs on areas for improvement as follows:

- Production survey
  - Data Collection – strengthened capacity to conduct of crop cutting survey
  - Data Processing and Analysis – In-depth analysis of survey results – standard error, coefficient of variation, etc. at provincial and sub-regional level
- Household Stocks Survey
  - Conduct of stocking pattern for farming and non-farming households need technical assistance, need to review survey frequency
  - Pilot record keeping approach in generating stocks – provision of a booklet to respondents and collect monthly, to reduce measurement errors for recall problem and lessen none response. To pilot test in a province where there is high concentration of farming and non-farming households. Taking into consideration project life and budget
- Commercial Stocks Survey
  - Conduct of Producers-Users' Forum to exchange insights and commitments
- Supply Utilization Accounts (SUA)
  - Updating parameters on industrial use processing for food and non-food

This presentation is as per ***Annex 11***.

Thailand

48. Ms. Supaporn Bongsunun, presented the country plan for Thailand concerning the gaps focusing on quality control for the area survey, to set pilot site in some provincial, regional and national, for this activity refer to good practice from the Philippines at regional, central and provincial. For stock data, OAE is also concerned that it is important for global level and food security in the future for the short date improve on data stock collection by AFSIS to help on this activity. For household stocks, add more items on the survey, like household stocks and for the long term they will conduct stock data. This presentation is as per ***Annex 12***.

49. The Chair concluded that it is satisfying to note that within existing constraints the project could find further improvement. It shows that there are different activities, so when it comes to actual implementation it would be difficult to implement, and in a way that this is a joint workshop we were able to attain exchange of ideas.

Agenda Item 13 Conclusion, recommendations and closing session

50. Mr. Kimihiko Eura concluded the project has the target to improve data in both countries, and express appreciation to the efforts of both countries.