Challenges with data on investment in agriculture

Piero Conforti

Deputy Director

Statistics Division

Food and Agriculture Organization of the United Nations

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Importance of agricultural investment data

Agricultural Investment is a key driver of productivity and growth.

Investment data are essential to monitor trends, inform policy choices and assess impacts

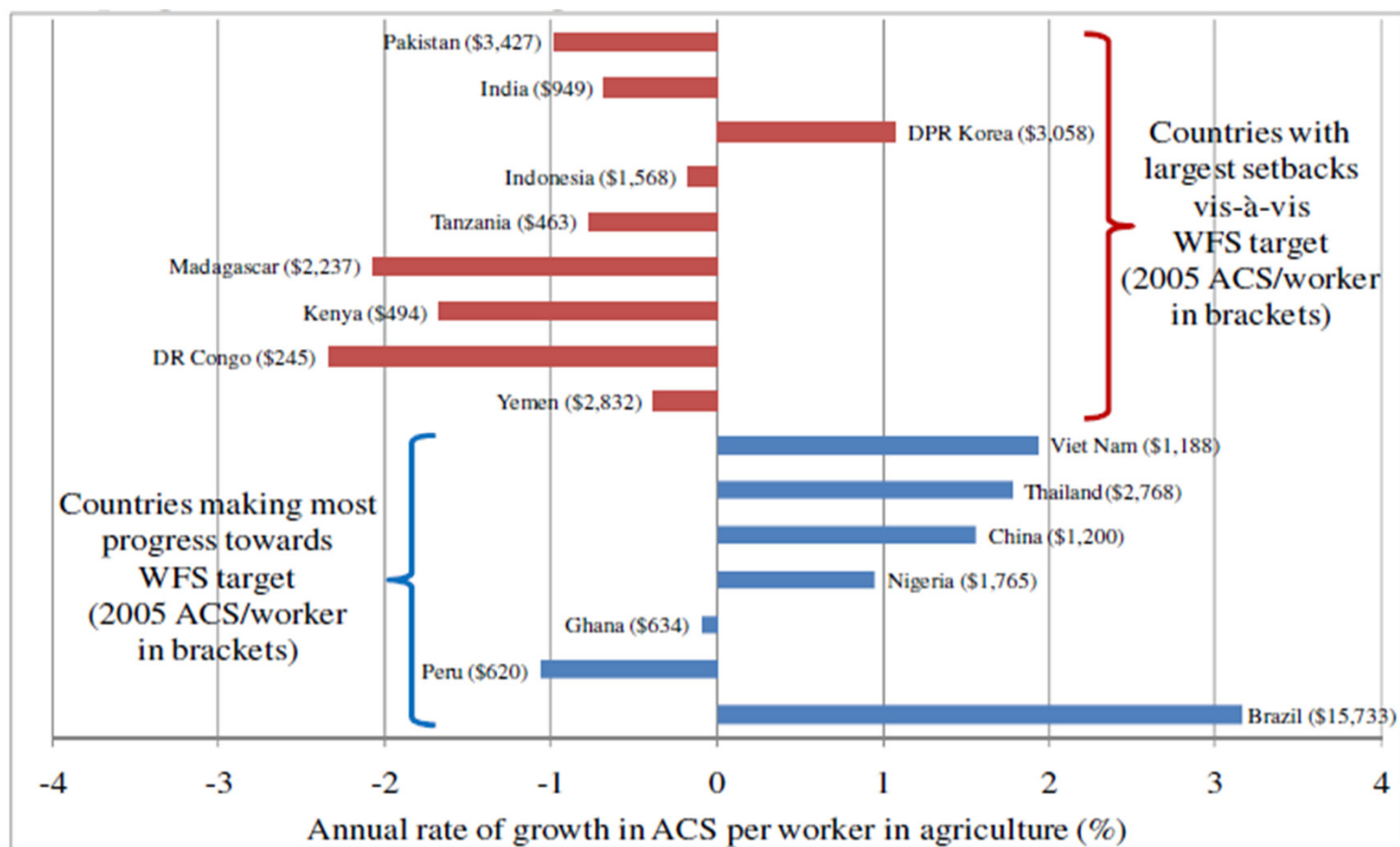Capital Stock ⇧➜Productivity ⇧➜Food Supply & Real Income ⇧

Address Market Failures: (small scale) farmers access to credit

Two types of investment data:

1. Physical investment in agricultural capital stock

2. Total value and sources of financing: domestic and foreign, public and private

Growth in Ag Capital Stock and hunger reduction

Investment domains in FAOSTAT

https://www.fao.org/faostat/en/#data

Domestic Flows	Foreign Flows
Government Expenditure (GEA)	Credit to Agriculture (C2A)	Foreign Direct Investment (FDI)	Development Flows to Agriculture (ODA)

Focus on Government Expenditures on Agriculture

- Measures the amount of domestic public spending in Agriculture, Forestry and Fishing, using established IMF approaches for measuring spending and level of government

- Data are obtained from member countries through an annual questionnaire, developed in collaboration with the IMF – *data collection since 2013*

- Annual data are requested on Central, State/Municipal and General Government Spending on:
  - Total Spending; Economic Activities; Agriculture, Forestry and Fishing (AFF) and their separate subsectors) and environmental protection
  - Break-down of Recurrent and Capital expenditures

**Feeds into the calculation of SDG 2.a.1- the
Agriculture Orientation Index (AOI) for government expenditures**

SDG INDICATOR 2.a.1
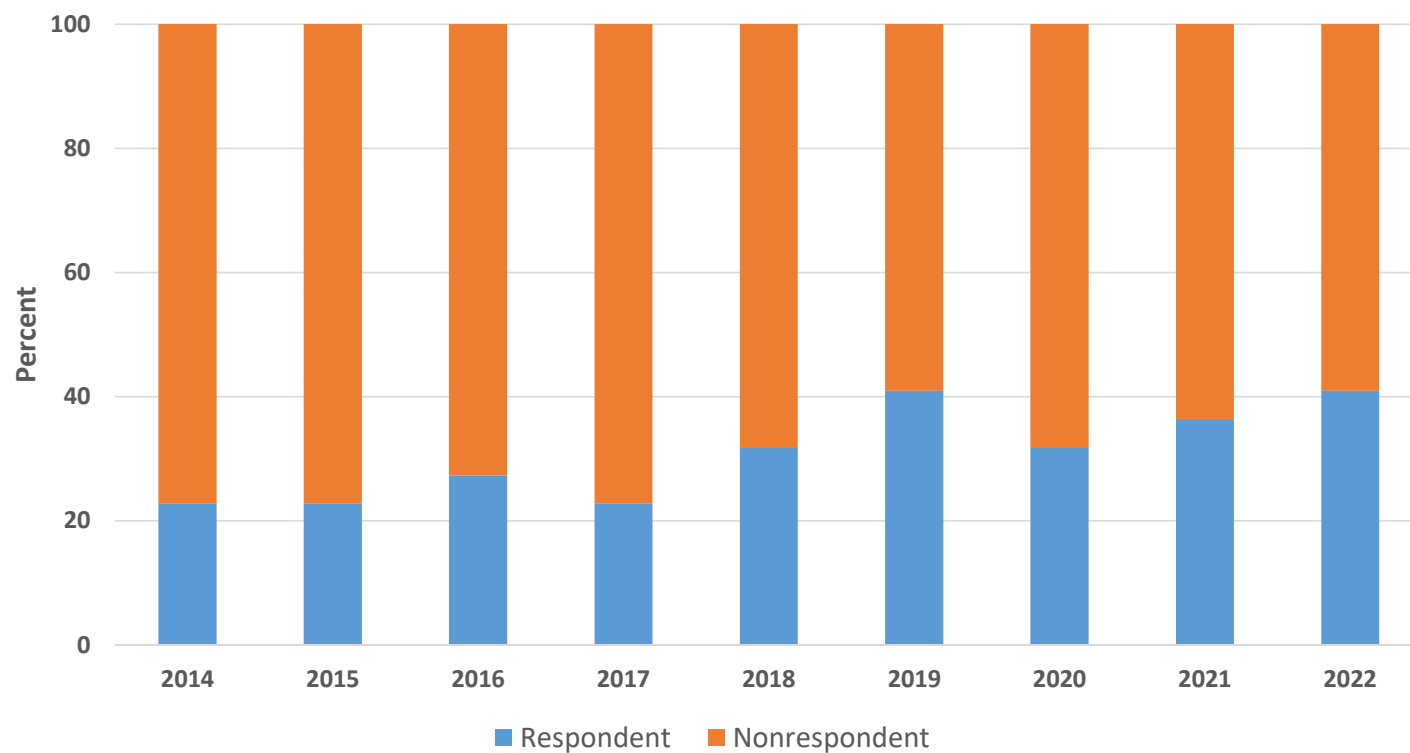
monitors progress in achieving SDG Target 2.a

Indicator 2.a.1: The **Agriculture Orientation Index (AOI)** for Government Expenditures:

- refers to domestic public flows to agriculture
- compares government's relative contribution to the agricultural sector compared to the sector's contribution to Gross Domestic Product (GDP).
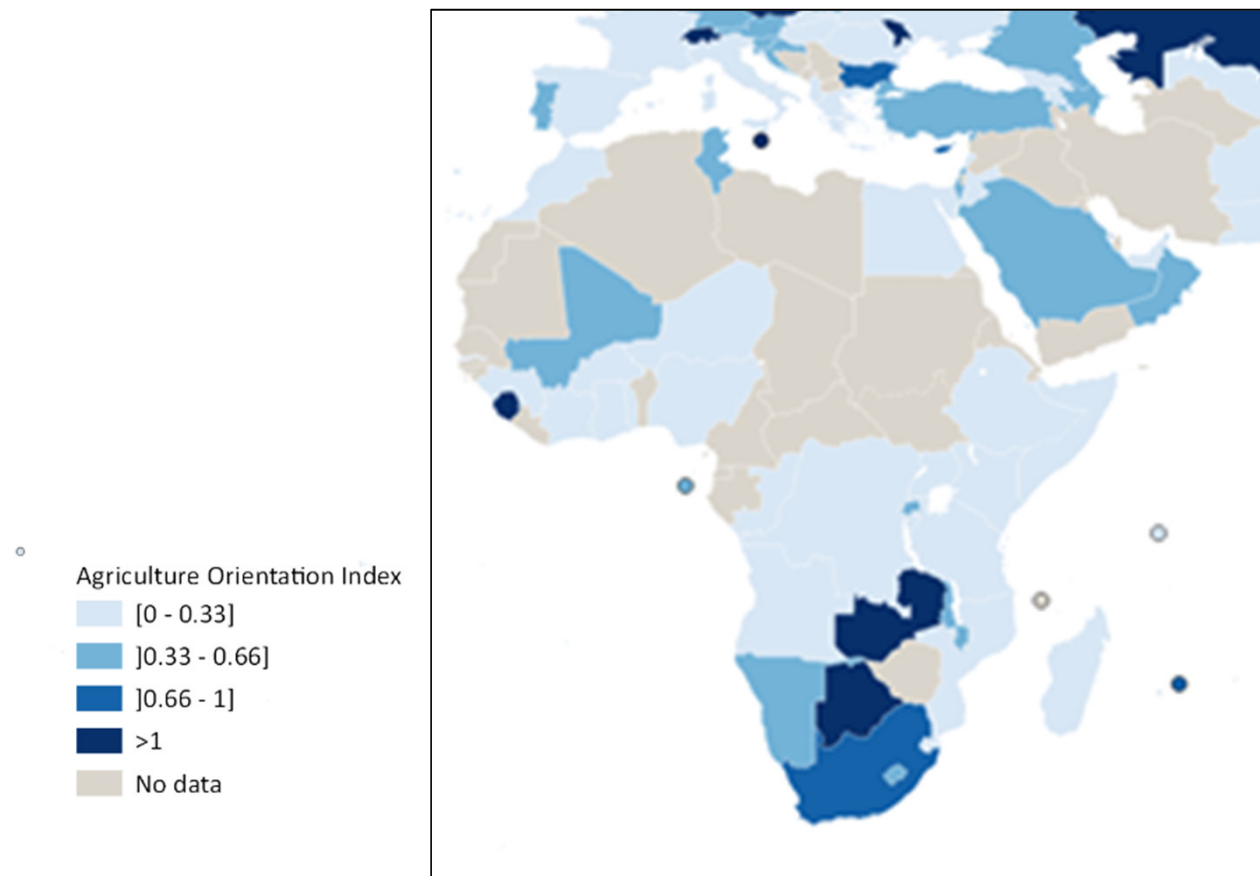
2 ZERO HUNGER

In focus: Government Expenditures on Agriculture (GEA) Questionnaire

GEA Questionnaire response rate ArabStat countries (N=22)

SDG 2.a.1 data results – Agriculture orientation index, 2016-2020 average (Afristat countries)

Agriculture Orientation Index
- [0 - 0.33]
-]0.33 - 0.66]
-]0.66 - 1]
- >1
- No data

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Challenges in interaction with some ArabStat countries in the last few years

- Absence of government finance statistics data in some countries
- Low and/or declining response rates to questionnaire in some countries – related to the pandemic?
- In some countries, inconsistency vis-à-vis IMF data
- Lack of disaggregation / breakdown of recurrent and capital expenditures
- Lack of effective national contacts (e.g. Ministry of Finance, Ministry of Finance, National Statistical Offices)

Contact:

For further information on GEA and SDG 2.a.1, please contact:

Veronica Boero
(Veronica.Boero@fao.org)
Statistician/ Team Leader
Focal point for SDG 2.a.1

Brian Carisma
(Brian.Carisma@fao.org)
Investment Financing Specialist
Co-focal point for SDG 2.a.1

Statistics Division Management
(ESS-Director@fao.org)