

THE FAO SYSTEM: DEFICIENCIES AND OPTIONS FOR IMPROVEMENT

The Food and Agriculture Organization of the United Nations (FAO) is the major source of information on world agriculture. Thus, any expectations for making improvements to the world's food information system must review the FAO, examine its deficiencies, and consider ways to improve its operation. Figure 17 shows the proposed organizational structure of the UN's Food and Agriculture Organization.

FAO performs for the United Nations about the same functions that the Department of Agriculture performs for the U.S. Governments Headquartered in Rome, FAO has

statistical and research divisions as well as numerous field offices scattered about the world, from which it collects data and gives advice, FAO's main agricultural publications are its annual Yearbook of Agricultural Production, Yearbook of Agricultural Trade, commodities reviews, and State of Food and Agriculture.

The latter provides food balance sheets and indices of agricultural production by region and country. However, these statistics are generally 1 year to 18 months old and thus do not meet the criterion of timeliness. In addition, the FAO publishes a Monthly Bulletin of Agricultural Economics and Statistics and every 10 years conducts a world food survey. The Monthly Bulletin on Statistics, the early warning systems, and commodity publications provide more current data, especially in recent years on particular commodities and commodity groups.

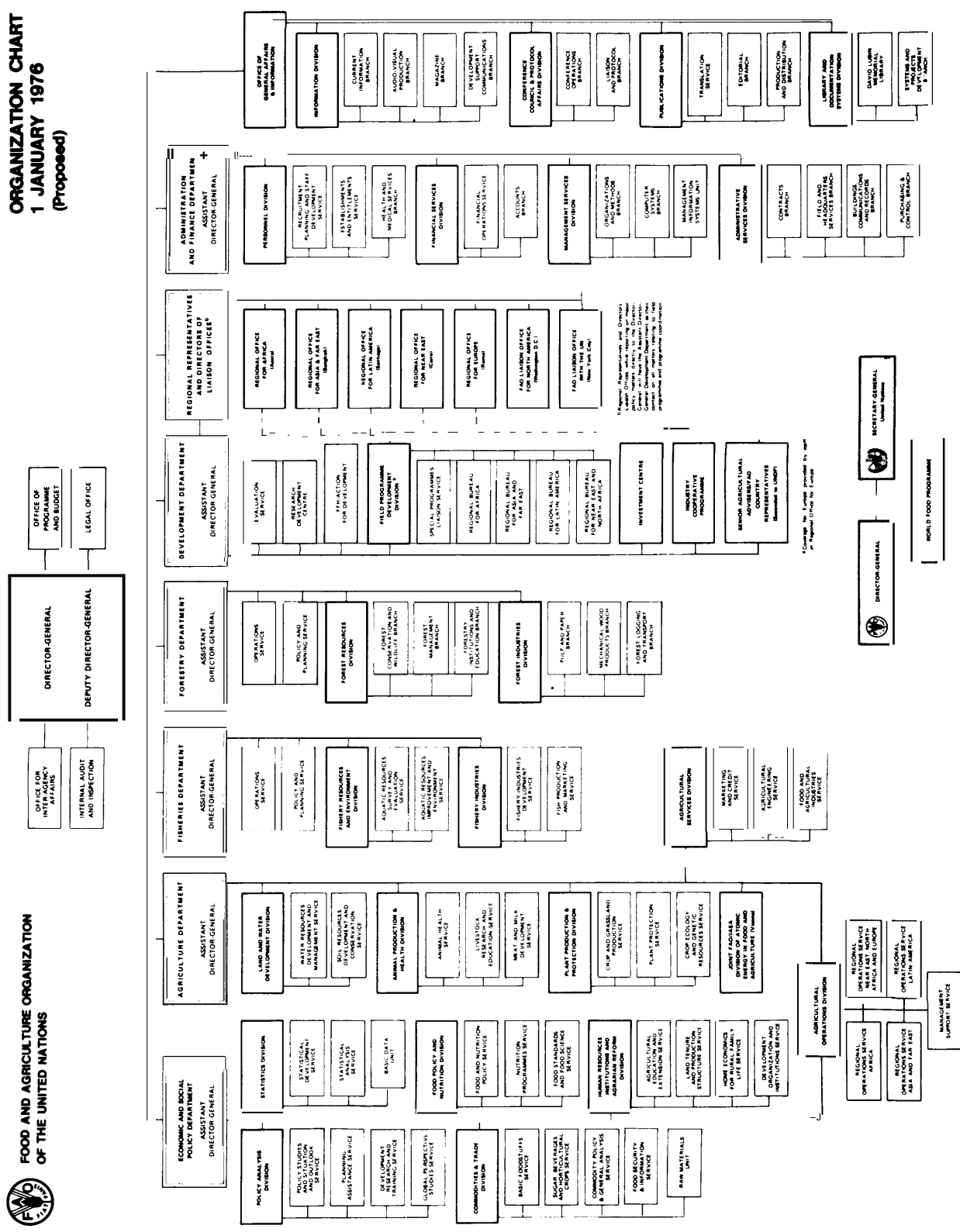
Recognizing the lack of timeliness in most of its data series, FAO began the development of an early warning system in 1968. Under this system, monthly reports on food crop conditions and the food situation are collected by FAO and the World Food Program staff for over 70 developing countries. This early warning program is aimed at obtaining advance indications of possible needs for emergency food aid. These early warning reports are in addition to current and prospective crop estimates collected regularly as a part of an FAO market intelligence service, which has been functioning for many years.

¹ The OTA study did not explore the FAO system in detail since such an analysis has been the subject of intense study culminating in the 1974 World Food Conference resolution. (See Hearings, pp. 33-36.) Thus, this summary is not on the same level as the analysis of USDA resources. Attention is called to The United States, FAO and World Food Politics: U.S. Relations with an International Food Organization, a staff report prepared for the Senate Select Committee on Nutrition and Human Needs, United States Senate (June 1976) which provides an excellent discussion of FAO and the U.S. role in this international organization.

² The International Wheat Council (IWC) is also a valuable source of information in the international arena. Located in London, with 10 exporting members and 42 importing members, the IWC began issuing monthly and annual reports on the world wheat supply and demand situation in 1972. These reports are issued on a timely basis and appear to be comprehensive. The Union of Soviet Socialist Republics, although not a member of the FAO, is a cooperating member of IWC.

³ Hathaway's presentation provides background and detail for this summary (pp. 70-85); additional sources: FAC (p. 18; pp. 24-28; pp. 33-36); Hjort (pp. 86-90). (All page numbers refer to Hearings.)

Figure 17.—Proposed structure of the United Nations Food and Agriculture Organization, January 1976.



The 1973 FAO conference authorized funds for an expansion of the early warning system: and an expanded program was established in March 1974. The new food information system represents a step forward in providing greater emphasis on a more coordinated and timely approach.

This early warning food information system, staffed by the FAO and the World Food Program, provides the most timely information available during the crop-growing season for about 70 developing countries. The FAO collects similar crop progress information on commodities in the developed countries.

The World Food Conference in November 1974 adopted resolutions calling for further improvement in the early warning food information system. ⁴

As a followup to the 1974 World Food Conference, FAO is developing timely information during the growing and early harvest season for all countries on a regional and world basis.

STATUS AND PLANS OF FAO FOR ITS GLOBAL INFORMATION AND EARLY WARNING SYSTEM

The new FAO food information system has four basic types of output:

1. the food situation and outlook series;
2. an early warning of food shortages;
3. information on food stocks and food aid; and
4. fertilizer and pesticide information.

The food situation and outlook series now consists of monthly, quarterly, and ad hoc reports. They cover the food supply-demand outlook in light of changes in production prospects, prices, policies, sales, stocks, and the availability and prices of such key inputs as fertilizer, pesticides, and shipping.

⁴ See FAC report for discussion and Resolution XVI, pp. 33-36; and Hathaway, p. 75.

Figure 18 lists the member countries of the FAO.

Each year for the past 10 years or more, the FAO has stationed 25 to 40 technically trained experts in underdeveloped countries for the purpose of helping the national governments improve their statistical services. The technically trained FAO staff member is usually stationed in a country for a full year or more to enable him to train local personnel in the collection and dissemination of agricultural information.

FAO cooperates with national governments in the experimental use of aerial photography to collect more accurate and timely information on crops and livestock numbers. Its staff is also studying the feasibility of remote sensing as a means of obtaining agricultural data in countries where gaps now exist.

The field staff of the FAO and the World Food Program prepare qualitative reports on the weather as it has affected crop production in the country for which they are making early warning reports.

Early warning of food shortages as provided by monthly summaries of the latest information on crop conditions, weather, plant diseases, and food deficiencies and availabilities in some 90 countries is published in *Foodcrops and Shortages*. This contains largely qualitative estimates of conditions—including a rating scale of crop conditions, planting, progress of harvest, and rainfall—plus comments or observations from FAO representatives, project specialists, World Food Program officers, and other sources.

The most valuable attribute of this portion of the system is its timeliness. The reporting of adverse weather conditions, natural disasters, and other events that may affect crop availabilities and demands is a great aid to

Figure 18.—Members of the United Nations Food and Agriculture Organization.

Afghanistan	Guatemala	Norway
Albania	Guinea	Oman
Algeria	Guinea-Bissau	Pakistan
Argentina	Guyana	Panama
Australia	Haiti	Papua New Guinea
Austria	Honduras	Paraguay
Bahamas	Hungary	Peru
Bahrain	Iceland	Philippines
Bangladesh	India	Poland
Barbados	Indonesia	Portugal
Belgium	Iran	Qatar
Bolivia	Iraq	Romania
Botswana	Ireland	Rwanda
Brazil	Israel	Saudi Arabia
Bulgaria	Italy	Senegal
Burma	Ivory Coast	Sierra Leone
Burundi	Jamaica	Somalia
Cameroon	Japan	Spain
Canada	Jordan	Sri Lanka
Cape Verde Islands	Kenya	Sudan
Central African Republic	Khmer Republic	Surinam
Chad	Korea (Republic of)	Swaziland
Chile	Kuwait	Sweden
China	Laos	Switzerland
Colombia	Lebanon	Syrian Arab Republic
Congo	Lesotho	Tanzania
Gabon	Liberia	Thailand
Gambia, The	Libyan Arab Republic	Togo
Germany (Fed. Rep. of)	Luxembourg	Trinidad and Tobago
Ghana	Madagascar	Tunisia
Costa Rica	Malawi	Turkey
Cuba	Malaysia	Uganda
Cyprus	Maldives	United Arab Emirates
Czechoslovakia	Mali	United Kingdom
Dahomey	Malta	United States of America
Denmark	Mauritania	Upper Volta
Dominican Republic	Mauritius	Uruguay
Ecuador	Mexico	Venezuela
Egypt	Mongolian People's Rep.	Viet-Nam (Republic of)
El Salvador	Morocco	Yemen Arab Republic
Ethiopia	Nepal	Yemen (People's Dem. Rep. of)
Fiji	Netherlands	Yugoslavia
Finland	New Zealand	Zaire
France	Nicaragua	Zambia
Greece	Niger	
Grenada	Nigeria	

those who must make rapid policy decisions in advance of the final quantitative estimates,

The adequacy of information available in this part of the system varies greatly from country to country. Defects are due partly to a

lack of an adequate support system and in some cases to a lack of country cooperation.

In the case of the early warning system, quantitative accuracy is almost impossible by definition. The relationships between weather

and the appearance of insects and diseases are not yet well quantified, nor is a direct and stable relationship likely to be found in the near future. Thus, the qualitative estimates now used are probably as good as can be devised given the state of knowledge regarding these relationships,

Information on food stocks and food aid is provided by reports entitled "World Food Stocks: Status and Evaluation," authorized by the FAO Conference in 1973. They include assessment of national stock targets and policies and the adequacy of world cereal stocks in the context of world food security.

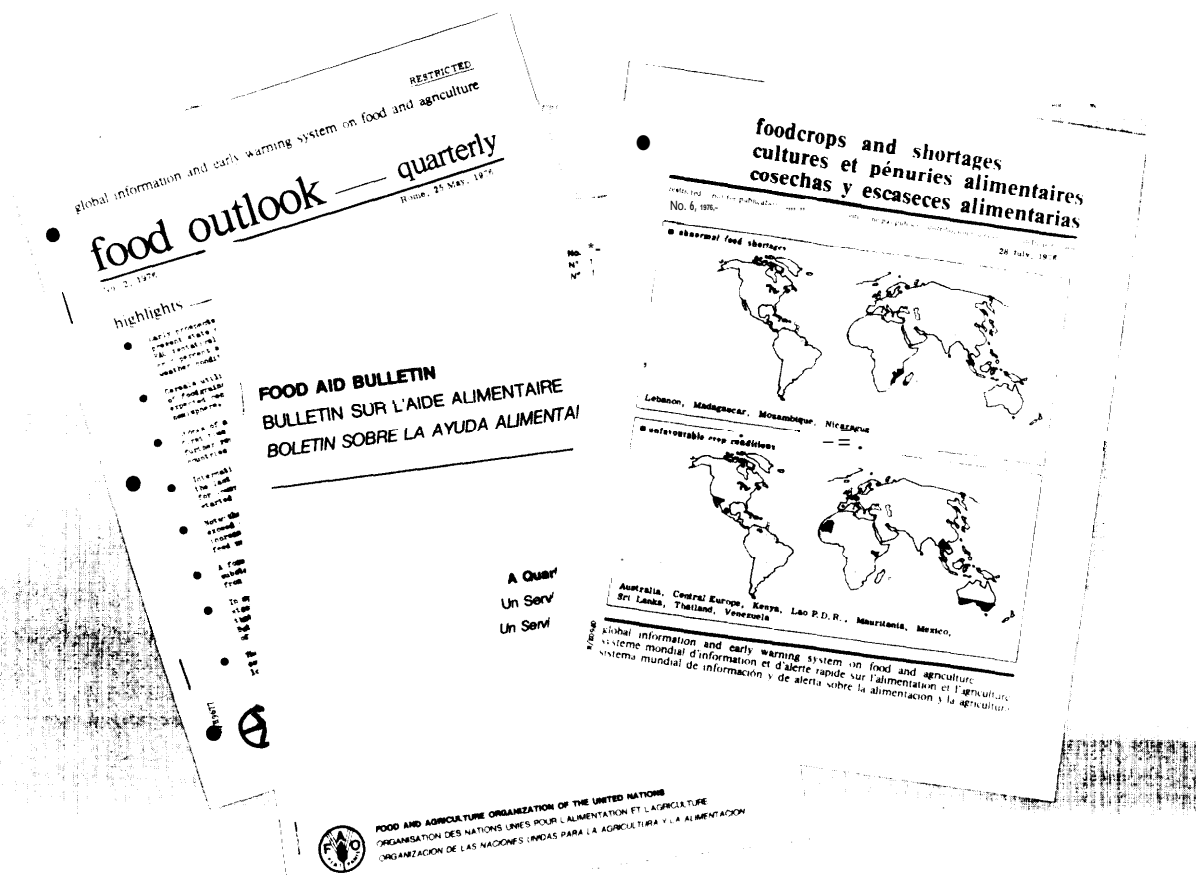
The FAO Food Aid Bulletin, (figure 19), issued quarterly since July 1970, provides information on bilateral and multilateral food aid transactions and food aid availabilities based on notifications made by governments

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The FAO fertilizer and pesticide information is an off-shoot of their newly established International Fertilizer Supply Scheme. Information on supplies, deficits, prices, contracts, and capacities are monitored for the purposes of emergency operations under the scheme. A new quarterly fertilizer survey and other information-gathering activities have been initiated, and steps are being taken to develop a similar information system on pesticides.

Figure 19.—Publications of the Food and Agriculture Organization



DEFICIENCIES

Most of the problems and deficiencies are those encountered in any attempt at collection and dissemination of data from a large number of governments with diverse information-assembling capabilities and dissemination policies. These deficiencies can also be attributed in part to the limitations on FAO action inherent in an international or intergovernmental organization.

After discussing the excellent data provided on wheat by the International Wheat Council, s Assistant Secretary Bell said: "When it comes to the other commodities, like rice and coarse grain and meat, we do not have that effective a system."⁶ He indicated that information from other international bodies on such commodities is made available from the FAO in Rome. He said, however, that this information "tends to be less prompt and . . . is not, in my judgment, as accurate and as useful as the information coming out of the International Wheat Council--or as up-to-date as the information from the International Wheat Council."⁷ (See figure 20.)

The new FAO data series will attempt to solve the timeliness problem, but there will still be gaps in adequacy and accuracy. In terms of the range of information covered, the adequacy is excellent. Its inadequacy in terms of world coverage lies in the fact that the Union of Soviet Socialist Republics is not a member of FAO and has thus far cooperated no more with FAO than with others regarding this information. The People's Republic of China, although a member of FAO, has not yet seen fit to provide the information requested for the system. Thus, the FAO food information system, in common with other systems generally available to most governments, is totally inadequate in coverage of two of the world's largest agricultural producers and consumers.

The problem of accuracy is twofold. The first and most significant problem is the sheer inability of developing countries to produce accurate information with present indigenous technology. The difficulties encountered in producing reasonably accurate estimates in developing countries are enormous.

Figure 20.—Members of the international Wheat Council

EXPORTING MEMBERS

Argentina
Australia
Canada
European Economic Community
Greece
Kenya
Spain
Sweden
Union of Soviet Socialist Republics
United States of America

IMPORTING MEMBERS

Algeria
Austria
Barbados
Bolivia

Brazil
Costa Rica
Cuba
Dominican Republic
Ecuador
Egypt (Arab Rep. of)
El Salvador
European Economic Community
Finland
Guatemala
India
Iran
Iraq
Israel
Japan
Lebanon
Libyan Arab Republic
Malta

Mauritius
Morocco
Nigeria
Norway
Pakistan
Panama
Peru
Portugal
Republic of Korea
Saudi Arabia
South Africa
Switzerland
Syrian Arab Republic
Trinidad and Tobago
Tunisia
United Kingdom
Vatican City
Venezuela

⁵ Hearings, p. 41.

⁶ Hearings, p. 42.

⁷ *Ibid.*

Another accuracy problem arises because some countries simply do not want to admit that their agricultural economy is performing badly; and they either do not report or report belatedly the facts about their agricultural production. This, too, reduces the accuracy of world food information. a

In the area of key inputs, fertilizers, and pesticides, the information is neither timely, nor accurate, nor adequate. The reasons for this vary. First, the production and distribution of these products are carried on by a mix of private and public enterprises, sometimes within the same country. Some countries, for their own reasons, do not divulge their most recent statistics on current status of plans, even though they presumably have them. The private firms involved often are reluctant to disclose information which they believe may affect their competitive position. All in all, the situation is totally unsatisfactory in both current estimates and forecasts and the problem of accurate information an exceedingly difficult one.

As an illustration, in the months just prior to the World Food Conference in 1974, a series of estimates on world fertilizer production, use, availability, and potential capacity in the short- and long-run were prepared by several national and international organizations. They varied widely in several aspects and changed markedly during a short period of time. The situation regarding pesticides appeared equally confusing.

By action of FAO member governments, the FAO information system is a closed system—i.e., certain of the materials it provides are limited in distribution only to participating countries and cooperating international organizations for their exclusive use. This includes the monthly Food Situation Reports, the reports on crop conditions and food situations by countries, and the special reports. The Food Quarterly Outlook is distributed to participating governments, to nonparticipating govern-

ments that are members of FAO, and to cooperating international organizations.

Thus, the FAO food information system is not available to the general public and the media. This condition was imposed by some member governments which believe that disclosure of such information would give an advantage to private traders and speculators,

In the area of analysis, FAO faces a problem created by the nature of its organization. The reporting of facts is a much less sensitive area than the analysis of what actions need to be taken and by whom. Here the FAO runs head on into sensitivities that go with national sovereignty. It is one thing to point out that there is a serious gap between available food and the needs of the **most seriously affected** nations and another to suggest to the U.S. Government or to the European Economic Community that they need to do more in providing food aid. It is acceptable for one nation to publicly question another's policy, but it is not acceptable for the staff of an international organization composed of member nations to do so.

Some believe it is expecting too much of the FAO to provide policy analysis which is explicitly critical of national policies. This means that policy analysis must rest with national governments and organizations outside the formal United Nations framework. This, of course, means that a substantial imbalance occurs between nations,

Many developing nations have neither the trained manpower nor the resources for such analysis, nor do they always accept analysis done by other governments.

FAO and other international agencies also encounter the problem of unwillingness on the parts of national governments to release unbiased data when they fear problems with an important segment of their citizenry. For example, national governments have been reluc-

tant to release their best estimates of national crop production in a drought year. Rather, the government releases the estimates it believes best suited to its political purposes. FAO and other international agencies, as well as USDA, have no practical alternative to accepting the data supplied by the national governments. This is a potential source of weakness in all data gathered and released by international organizations and a serious hardship to all who use the data,

Although the early warning reports of FAO have been helpful in providing information at an early date on food crop conditions in countries with potential requirements for emergency food aid, the reports have been in qualitative terms. They have seldom contained quantitative estimates and have seldom been sufficiently documented to provide a basis for estimating the food import requirements of the countries.

Serious political problems in the collection and release of remote-sensing data, as well as the high cost of processing them, make it unlikely that remote sensing will close existing information gaps in the near future.

Other deficiencies in the information collected and published by the FAO are recognized.

The elapsed time between the collection of data in the various countries and its availability in FAO publications is so great that most series are of value only for historical research. The information reported in the monthly bulletins of economics and statistics is more timely than that published in the an-

nual yearbooks; yet even in these publications there is usually a lag of 6 months or more between the collection of the country data and the availability of the regional and world summaries in the monthly bulletins.

Another deficiency, noted earlier, is the gap in the world food and agriculture information created by the failure of the Union of Soviet Socialist Republics to provide adequate and timely national agricultural data. In addition, little information on either acreage or production is made available by the People's Republic of China.

The inadequacies of the food and agriculture information systems in the developing countries create serious problems for U.S. analysts and for the international agencies that assemble world food and agricultural statistics. The United States has made an important contribution to the information systems of developing countries in the past by its Agency for International Development (AID) financed technical assistance activities.⁹ However, AID no longer provides adequate funds to continue these efforts. Indeed, OTA's study found that inadequate attention is now being given to this in AID,

OTA's study stressed the importance of strengthening FAO food information activities as much as possible, while it recognized that FAO will find it difficult to achieve the goals it has set for itself in the next few years. The United States can be of substantial assistance to the FAO as it struggles to meet these goals, by providing increased technical and financial assistance for FAO informational activities.

⁹ Hearings, pp. 413-414.

SUGGESTED IMPROVEMENTS

Several suggestions were made as to how the FAO information system might be improved. These suggestions focused on the role of the U.S. in this system. These suggestions and a discussion follow.

Expanding U.S. role in a world information system

1. The USDA should combine world food intelligence with U.S. situation and outlook in food and agriculture. (Hjort, Hearings, p. 90.)
2. The USDA should adapt to changes in world food situation with appropriate staff, organization, and budget changes. (Keefe, Hearings, p. 144.)
3. U.S. agricultural attaches should provide more precise data and information on the use of land, agricultural inputs, human and animal populations, income, prices, and other supply and demand factors, so that analysts covering the world situation and outlook are in a better position to assess these factors. They should develop more reliable supply-demand estimates and report more fully and frequently on the world food and agriculture situation and outlook. (Hjort, Hearings, p. 93.)
4. The United States should provide increased financial and technical assistance to the world information institution of the FAO. (FAC Report, Hearings, pp. 33-36.)
5. The U.S. Congress should direct AID to increase its technical assistance for the improvement of agricultural information systems, including the introduction of advanced information technology, in developing countries most deficient in their agricultural statistical institutions. (FAC Report, Hearings, pp. 33-36.)
6. The U.S. Government should convince other governments to freely provide FAO with the information this global institution needs. (Hathaway, Hearings, p. 70.)

Opinions differ as to the availability of current production and information on forward estimates in the centrally planned countries. If the information does exist, it is not shared. With improved technologies for data collection, analysis, and transmission, existing deficiencies in current production information and forward estimates can be corrected within the next few years if a country desires. The world food information system would be improved significantly if the centrally planned countries would supply the FAO and major exporting countries with timely production information and forward estimates of requirements. The United States can play a constructive role in encouraging these countries to develop such data as a part of its trading relationships with them. It also might provide technical assistance to them on request.

Options for Strengthening the U.S. Role

There are several options for Congress to strengthen the U.S. role in world food information systems. Congress could insist that the executive branch, in its trading relations with centrally planned countries, take a more positive role regarding the need for those countries to supply the outside world with timely national food information. This issue was not dealt with in the 1975 long-term

grain sales agreement the U.S. concluded with the Union of the Soviet Socialist Republics. Congress could ask the executive branch to insist on timely release of national food information as a part of any future commercial trading relations with the United States.

A second option would be for Congress to take a more positive role toward increasing the scope and quality of the data collected in developing countries and increasing the analytic capabilities of the U.S. staffs that prepare reports on international food production, stocks, and prices. These actions would primarily benefit the United States, but since this country makes all published information generally available, other countries would benefit from better world information on which to base their food policies.

Another option would be to focus increased congressional attention on the activities and needs of the FAO. This could be achieved by conducting congressional oversight hearings on the cooperation between U.S. technical staffs and those of the FAO.

Still another option would be for Congress to make additional funds available to AID for financing technical assistance on food information problems in developing countries.

To date, "AID has not given special policy emphasis to technical assistance for the establishment or strengthening of crop reporting systems (in developing countries).¹⁰ Since AID does not now give this a high priority. **Congress could** ask AID to develop a comprehensive, well-coordinated program to assure that funds are properly allocated.

If Congress wished to take an even more active role in improving world food information systems, it might make additional funds available for FAO information activities and urge other countries to take similar actions. The United States now contributes approximately 25 percent of the total FAO budget, approximately \$20 million annually. Only a small part is used for information activities.

Although some members of Congress believe that the United States is already contributing more than it should to the FAO, if it wishes to take the leadership in increasing FAO's informational activities, increased expenditures on the order of several hundred thousand dollars might be required.

With the exception of Congresswoman Holt,¹² all comments¹³ supported the recommendation made by the FAC report suggesting an increased role for the United States as well as increased funds for technical assistance.

We believe that the Department's role in AID funded technical assistance has been very productive. This type of direct assistance is probably the best way to improve statistics in countries eligible for AID funds.¹⁴

¹⁰ Hearings, p. 413.

¹¹ personal communication dated June 3, 1976, from John E. Murphy, acting administrator, AID, to Senator Hubert H. Humphrey.

¹² Hearings, pp. 98-99.

¹³ Paarlberg, p. 103; Hathaway, p. 70; Hjort, p. 96; Abel, pp. 339-340. (All page numbers refer to Hearings.)

¹⁴ Dr. Don Paarlberg, Hearings, p. 119.