Terms of Reference

EU Twinning Project IL/12 CRIS 2015/370-467

23 January – 25 January 2017

Component C: Infrastructures for Agricultural Statistics

Activity C.4: Economic Accounts for Agriculture

0. MANDATORY RESULTS AND BENCHMARKS FOR THE COMPONENT

Mandatory results:
- *Setting an overall programme for the establishment and maintenance of a farms register to be used as a framework for agricultural statistics (February 2018)*

Benchmarks:

- *IC1: Mapping of all the available data sources and identifying new sources of information (Ultimo November 2016)*

- *IC2: A methodology is set for determining the size threshold for defining a farm (Ultimo November 2016)*

- **IC3:** *A methodology is developed for the integration of different administrative sources for the establishment of farmers frame* (Ultimo February 2017)

- **IC4:** *Questionnaires are drafted and fit needs of direct data collection* (Ultimo May 2017)

- **IC5:** *A methodology is developed for the maintenance of farms register* (Ultimo August 2017)

- **IC6:** *A plan is established to produce farms statistics based on administrative data, GIS layers and direct data collection* by (Ultimo August 2017)

- **IC7:** *A plan is* established *for routine data collection from various sources for agricultural statistics* by (Ultimo August 2017)

1. PURPOSE OF THE ACTIVITY
The overall purpose and focus area for the activity is to discuss status and challenges of the Economic Accounts for Agriculture, abbreviated as EAA for Israel and Europe and its integration with National accounts.

The EAA is usually built as a satellite account of the national accounts, adapted to the specific nature of the agricultural sector, providing complementary information and concepts. Although the structure of EAA matches very closely that of national accounts, their compilation requires the formulation of appropriate rules and methods.

The EAA analyse the production processes of the agricultural sector and the primary income generated by these activities. The accounts are therefore based on the industry concept. The agricultural sector, as described in the EAA, corresponds to Division 01 in NACE Rev. 1 "Agriculture, hunting and related service activities".

The EAA measure the total output of the agricultural activity which includes:
- Output sold (including trade in agricultural goods and services between agricultural units);
- Changes in stocks;
- Output for own final consumption and own-account gross-fixed capital formation;
- Output produced for further processing by other agricultural producers;
- Intra-unit consumption of livestock feed products.

The agricultural industry's output equals the sum of the ouput of agricultural products plus goods and services produced in non-agricultural secondary activities.

The activity will alternate between presentations, discussions and practical's and will be divided into the flowing main activities:

- **Introduction to economic accounts for agriculture EAA in Israel and Statistics Denmark**
  - General introduction of EAA

- **Output**
  - Data collection and methodology
  - Classification
  - Outputs (Production, sale, own consumption and feed products)

- **Discrepancy between the EAA agricultural industry and the agricultural branch of the central framework of the national accounts**

- **Input**
  - Input by industry
  - Capital transfers (Investment and stocks)
  - Indicators for agricultural products
  - Added value
  - Price Indices

- **Practical's**

- **Dissemination**

- **Follow up and conclusions**

2. EXPECTED OUTPUT OF THE ACTIVITY
- Activity report
- Identification of potential improvement for EAA in order to meet international standards
- Future cooperation and intergration between national acounts and EAA

3. PARTICIPANTS

ICBS

Economic-Infrastructure Department
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MS Experts
- Mr. Mads Meyer-Dissing;
  - *Specialist knowledge:*
- Ms. Mona Larsen
  - *Specialist knowledge:*

Twinning Staff
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4. CURRENT STATUS OF INFRASTRUCTURES FOR AGRICULTURAL STATISTICS
(QUOTES FROM THE TWINNING CONTRACT)

The current structure of the agricultural economy in Israel is not clear enough and there is a need for further characterization. The main economic activity of many small farms is not always agricultural, but not taking into account those farms in the statistics would result in an under-estimate of the agricultural activity of Israel.

In many cases, administrative files do not provide comparable data, in terms of size, that would allow clear threshold settings. However, there is a need to improve their usability for the creation and maintenance of a register of farms.

The last agriculture census was conducted in 1981, 34 years ago, and an extensive survey was conducted in 1995. Over these years the agriculture industry underwent numerous changes that affected the statistics in Israel, among others: The privatization of the agricultural sector, a change in the composition of the economic activities in farms, and a major decrease in the activity of organizations and associations of farmers (which were the main providers of data on agricultural activities).

The quality of many of the current administrative sources is poor and they cover only parts of the agricultural activities. As accurate and reliable agricultural data remains very important for various stakeholders, the ICBS and the Ministry of Agriculture and Rural Development (MARD) agreed on the need to upgrade the data regarding the agricultural infrastructure for the improvement of the quality of the Agriculture statistics, starting with the establishment of a farm register.

Efficient cooperation with the MARD will contribute to the successful implementation of the project. It is recommended that the Ministry is closely involved in relevant activities. Finally there is a need to combine business data with GIS layers in order to complete the picture on the Agricultural sector.

In Israel, the government has only partial information regarding the farming activities, and agricultural data are usually not collected directly from the farmers on a regular and complete basis. Taking these conditions into account, relevant expertise is needed for Agricultural Census.

One of the issues to be addressed is the generation of a sampling frame for agricultural farms in Israel, based on administrative files with poor quality. The challenge is also in bringing together different sources which cover different entities (financial data, agricultural area, livestock) with different IDs, and using them to establish harmonized sampling frame.

Once established, the challenge resides in maintaining updated farms register, and an updated interface with the business register.

One of the difficulties that Israel encounters in the production of agricultural statistics is the estimation of agricultural production used for self-consumption, mainly in traditional agricultural farms.

Also of interest is combining economic agricultural data with GIS data in order to present a full picture of the agricultural sector. The project will run a very compressed schedule in component C in order for the ICBS to carry out a full census in 2017 were funding for such an undertaking may be available – it can be considered if the use of GIS will add value or will distract from the work.

Programme for Activity C4: 23 – Janauary 2017

Infrastructure for agricultiral statistics:

Economic Accounts for Agriculture

Day 1 Monday 23 Jan 17	Hour	**Overall Subject:** General features of the Economic Accounts for Agriculture with focus on output and association between the EAA and national accounts
		Location: • Infrastructure-Economic meeting room (floor 2-West) *Participants: Selected ICBS and MARD Staff, MS experts, the Twinning team of Component C*
	09:00-9:15	*Welcome and introduction* (Dr. Moshe Yanai and Ms. Charlotte Nielsen) • *Presentation of the Terms of Reference* • *Following up on former activities* • *Presentation of participant*
	09:15-10:15	*BC: Status and challenges of Economic Accounts for Agriculture in Israel with focus on output* (Noam Tal from Agricultural Statistics)
	10:15 - 10:30	Coffee break

	10:30-12:00	*MS: Economic Accounts for Agriculture in Denmark with focus on output – part 1* (Mr. Mads Meyer-Dissing and Ms. Mona Larsen)
		
		Topics to be covered
		    o *General introduction of EAA*
		    o *Classification of agricultural activities(ISIC vs NACE Rev2)*
		    o *Statistical concepts and definitions*
		    o *Data collection and methodology*

	12:00-13:00	Lunch break

	13:00-14:00	*MS: Economic Accounts for Agriculture in Denmark with focus on output – part 2* (Mr. Mads Meyer-Dissing and Ms. Mona Larsen)
		
		Topics to be covered
		    o *Outputs (Production, sale, own consumption and feed products)*
		    o *Stocks*
		    o *Other important issues*
		    o *Discussion*

	14:00-14:15	Coffee break
	14:15-15:15	*MS: Difference between the EAA and the national accounts in Denmark* (Mr. Mads Meyer-Dissing and Ms. Mona Larsen)
	15:15 – 15:30	*BC/MS: Summing up the day*

Day 2 Tuesday 24 Jan 17	Hour	Overall Subject: Inputs by industry and price indices
		Location: • Infrastructure-Economic meeting room (floor 2-West) *Participants: Selected ICBS and MARD Staff, MS experts, the Twinning team of Component C*
	09:00 - 10:00	***BC: General Government expenditure for agriculture in Israel*** *(Galina Braverman from National Accounts)*
	10:00-10:40	***BC: Input/output tables and Agriculture*** (Ms. Haydee Faur from Business-Economic) ***Discussion***
	10:40-11:00	Coffee break

	11:00-11:50	***MS: Input by industry & Capital transfers*** (Mr. Mads Meyer-Dissing and Ms. Mona Larsen)
		
		Topics to be covered
		
		  o *Input by industry - challenges*
		  o *Data collection and methodology*
		  o *Key indicators*
		  o *Other important topics*
		  o *Capital transfers (Investments and fixed capital consumption)*

	11:50–12:50	Lunch break
	12:50-13:50	***BC: Prices in Agriculture*** (Noam Tal from Agricultural Statistics)
	13:50-14:00	Coffee break

	14:00-14:50	***MS: Prices in Agriculture*** (Mr. Mads Meyer-Dissing and Ms. Mona Larsen)
		
		Topics to be covered
		
		  o *Agricultural products*
		  o *Price Indices*
		  o *Key indicators*
		  o *Other important topics*

	14:50–15:00	***BC/MS: Summing up the day***

Day 3 Wed. 25 Jan 17	Hour	**Overall Subject:** **Practicals and dissimination** **Location:** • Infrastructure-Economic meeting room (floor 2-West) *Participants: Selected ICBS Staff, MS experts, the Twinning team of Component C*
	9:00-11:00	***BC/MS: Practical's***
	11:00-11:15	Coffee break
	11:15-12:00	***MS: Dissemination*** (Mr. Mads Meyer-Dissing and Ms. Mona Larsen)
	12:00-13:00	Lunch break
	13:00-14:00	***BC/MS: Summing up the Mission and recommendation (group work)*** • *Summary of the Mission* • *Recommendations* • *Plan for coming Missions* • *Work to be done before next Mission*
	14:00-14:15	Coffee break
	14:15-14:45	***Presentation of recommendation and future work***
	14:15-15:00	***Debriefing***

Abbreviations:
BC = Beneficiary Country (Israel)
ICBS = Israeli Central Bureau of Statistics
DST = Statistics Denmark
MS = Member State (Denmark)