



United States
Department of
Agriculture

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National
Agricultural
Statistics
Service

TO: Nancy Hirschhorn
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FROM: Larry Sivers
Director
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SUBJECT: Proposed Emerging Markets Program FY 2009-2010 Funding of NASS
International Statistical Cooperation Projects, RUSSIA

GENERAL:

The following proposal requests Emerging Markets Program (EMP) funding for the **second** year of a three-year project between the National Agricultural Statistics Service (NASS) and Russia's Ministry of Agriculture (MOA) and the Russian Federal State Statistics Service (ROSSTAT).

The project objective is to provide assistance to MOA and ROSSTAT in creation of a new Agriculture Information System for the agricultural sector in Russia. The new Agriculture Information System will provide accurate and comprehensive statistics on all agriculture in Russia.

BACKGROUND:

The project is oriented toward the development of an emerging market-based economy by improving the availability of basic agricultural statistics necessary to allow a market economy to function efficiently and properly. The scope of statistical information contained in the new Agricultural Information System will be greatly expanded from the current level of information provided by the Russian government, and will include information for all types of agricultural production units, including private farms and private households. Historically, the Russian government provided extensive statistical information on large Agricultural Enterprises (collective and state farms), and limited statistical information of private farms and private households.

Emerging Markets Program (EMP) funding was provided in January 2008 for the first year of this three year project with MOA and ROSSTAT. During this year, NASS assisted ROSSTAT and MOA to publish several volumes of agricultural data.



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AGRICULTURE INFORMATION SYSTEM TECHNICAL ASSISTANCE AND TRAINING PROJECT IN RUSSIA

Proposal Date: August 14, 2008

The project is proposed by:

National Agricultural Statistics Service,
United States Department of Agriculture
Washington, D.C. 20250

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I. PROPOSAL DESCRIPTION.

Russia Agricultural Statistics Improvement Project: This project would provide for development and implementation of enhanced capability of the Russian government to create a new Agricultural Information System for Russian agriculture. This funding request would provide extensive training and technical assistance to the Russian Ministry of Agriculture (MOA). In addition, training and technical assistance would be provided to the Russian State Statistics Service (ROSSTAT) to support the development of improved and more sophisticated statistical information of the private agriculture sector of Russia.

II. RATIONALE.

While there has always been a need for reliable data on which to base decisions, this need is much stronger today in Russia with the profound changes to its economic system, and with the entry of Russia to the WTO. With multiple types of agricultural operations, increased importance of the private household sector, disintegration of large agricultural enterprises and establishment of private farming, the agricultural statistics system of Russia faces many demands. Government policy makers must rely on efficient information and forecast system for better decision-making and policy formulation. Accurate, reliable and timely information is

needed by both the public and private sector for developing production strategies, allocating resources, and the expansion and growth of markets. Foreign (including American) agricultural interests need reliable data for assessing agricultural markets in Russia, and potential new market situations in Russia, resulting from Russia's recent entry to WTO.

The Russian government has made significant steps towards the establishment of an improved system of agricultural statistics and information. Following the reorganization of The Russian Ministry of Agriculture in 2005, and the creation of a new Department for Economics, Alexey Gordeyev, Russian Minister of Agriculture, instructed the Economics Department to develop a "Statistics Improvement Plan" for agricultural statistics. The "Statistics Improvement Plan" took on added importance, following the decision by the Russian government to identify agriculture as a "national priority" in the Russian Federation.

Starting in July of 2006, the Russian government started the most extensive data collection effort of agricultural information from private farms and households ever undertaken in Russia. The Russian government allocated 6 billion rubles (equivalent to approximately \$238,000,000) for the collection and publication of agricultural statistical information for all types of agricultural production units, including private farms and private households. Historically, agricultural statistics for private farms and private households in Russia were limited in comparison to statistics for large Agricultural Enterprises. The new data collection which started in July 2006 will greatly expand statistical information for the private agricultural sector of Russia. The expansion of statistical information will occur in several areas. First, data will be available for more data items and categories of data. For example, the Russian government historically publishes statistics for "all poultry", and does not publish statistics for each type of poultry. Another example is that the Russian government historically publishes statistics for "all stone fruit", and does not publish data for individual types of stone fruit. With the expansion of statistical information, the Russian government will publish statistics for each type of poultry and for each type of fruit. The second area regarding the expansion of statistical information is that data will be available for smaller geographical areas (political subdivisions). Historically, the Russian government publishes agricultural statistics for the entire Russian federation, and for oblasts and republics within Russia. With the expansion of statistical information, agricultural statistics will be published for regions comprising the oblasts and republics.

The Russian government passed the Federal Law of the Russian Federation "On Development of Agriculture" in 2007. The Federal Law contains a section (Article 17) relating to agriculture information. Article 17 stipulates that an extensive amount of agriculture information be provided. The information to be provided includes the following items: crop areas planted and harvested; crop yield forecasts and crop production; livestock inventories; livestock production; end-of-year stocks of agricultural products; prices of agricultural products; quantity and quality of agricultural equipment; agricultural chemicals; other types of agricultural information. Items such as crop areas, crop production, livestock inventory and livestock production are to be provided monthly. Most other items are to be provided quarterly. Article 17 specifies that all statistics be posted on official web-sites and be available free of charge. Currently distribution of statistical information is limited and at times, difficult to obtain. The new Agriculture Information System of Russia is a major advancement in the availability of agricultural statistical information.

The availability of unbiased and timely data is necessary for efficient functioning of agriculture markets. The government and private sector will need improved data and information to make informed decisions related to the agricultural sector. The development and intensification of animal diseases and plant pests result in increased demand for agricultural statistics, especially statistics for the large numbers of private farms and agricultural households throughout Russia. Since bird flu (H5N1avian flu) has been detected in several regions of Russia, the demand for livestock statistics has greatly increased.

Alexey Gordeyev, Minister of Agriculture of the Russian Federation, has requested technical assistance and training from USDA-NASS, as part of their effort to implement a new Agricultural Information System in Russia.

This information contained in the new Agriculture Information System of Russia will be vital to U.S. agricultural interests in development of market strategies for Russia. The USDA-FAS post in Russia believes that cooperation in agricultural statistics between Russia and the USA is in the best interests of USDA.

III. PROJECT PARTICIPANT IDENTIFICATION.

The Russian Agriculture Information System Project is an activity that would be implemented with two organizations within Russia. The primary organization is the Russian Ministry of Agriculture (MOA). The secondary organization is the Russian State Statistics Service (ROSSTAT).

Institutional Capability:

As the statistical agency of the United States Department of Agriculture (USDA), the National Agricultural Statistics Service (NASS) has as its mission “to provide timely, accurate and useful statistics in service to U.S. agriculture.” NASS has also been helping to establish and improve agricultural statistics programs in countries around the world for nearly 60 years.

NASS specialists provide technical assistance and training on a reimbursable basis in all aspects of statistical surveys, censuses and data systems. The institutional relationships established between NASS and counterpart organizations, which generally continue long after projects are completed, have been mutually beneficial for understanding and addressing improvement issues.

With a total staff of more than 1300 employees, a large portion of which are professionals experienced in various aspects of census and survey work, NASS can draw from a large and diverse set of skills to support international projects. NASS is the United States’ only source of a large permanent staff experienced in the practical application of the technology and latest operational developments in the field of agricultural statistics.

IV. RESOURCES REQUIRED.

The amount of resources identified in this proposal to assist in development and implementation of a new Agricultural Information System is for training and technical assistance. This support will be for NASS experts' travel to Russia to work with counterparts, with costs reimbursed at U.S. Government travel allowance rates and salary for NASS staff involved at actual daily rate/individual plus 19.9% benefit and 20.9% leave factor rates. This will be done with the equivalent of six TDYs (10 days each) to Russia by NASS staff.

BUDGET NEEDS:

Item	FY2008	FY2009	FY2010
	(Already Funded)	Amount \$(000)	
Salary	62.25	53	53
Travel	55	47	47
Total	117.25	100	100

In addition to the resources provided from the U.S. side for technical assistance, significant resources in the way of National staff, regional staff, and local staff, travel expenses, data collection and processing cost will be provided by the Russian collaborating agencies. The Russian government allocated 6 billion rubles (equivalent to approximately \$238,000,000) for the collection and publication of agricultural statistical information.

V. IMPLEMENTATION.

The following activities will be undertaken:

(A) Provide Training and Consultation to the Russian MOA Staff on Dissemination of Agriculture Statistics, and on Agricultural Statistics Methodology

The Russian Ministry of Agriculture, in a letter dated December 15, 2006, addressed to USDA-FAS Minister Counselor of Russia, requested that NASS provide consultation and training for MOA staff, at least through 2009. The letter requested assistance with utilization of information technologies, improvement of data dissemination, and improving existent data analysis abilities. On December 20, 2006, Russian Minister of Agriculture Alexey Gordeyev held an annual meeting for agricultural counselors from 20 embassies. During the meeting, Gordeyev complimented USDA's NASS for assistance to improve agricultural statistics for Russia.

NASS has already successfully conducted training seminars in Russia. Past seminars covered the requirements of a statistical system, the different types of agriculture surveys

conducted in the USA, the use of Remote Sensing techniques, and use of a Geographic Information System. Future training and consultations with the Russian Ministry of Agriculture will focus on expanding the availability of agricultural data to the public. In years 2009 NASS will provide training and consultation on the collection, analysis and dissemination of agricultural statistics. NASS will assist MOA in developing new statistical publications and data bases.

The result of NASS training and consultation to the Russian MOA staff will greatly facilitate MOA in developing and implementing a new Agriculture Information System, which will result in an expansion of available agricultural statistical information.

(B) Provide Technical Assistance To The Russian MOA And ROSSTAT In Data Analysis Techniques Necessary For The Development Of New Statistics Of Private Farms And Family Households.

NASS provided technical assistance and training to ROSSTAT on data analysis methodology, utilizing advanced statistical software, throughout 2008. NASS assistance with data analysis will substantially improve the efforts by MOA and ROSSTAT to produce accurate and timely results from the large data collection effort undertaken in July 2006. Starting in July 2006, the Russian government collected an extensive amount of data from private farms, rural households and orchard and kitchen gardens. Russia collected data from all of the 260,000 private farms in Russia. Data was collected from all of the 16 million rural households. Data was collected from a sample of approximately 25% of the 18.6 million orchard and kitchen gardens involved with agricultural production in Russia. Two volumes of agricultural statistics have already been released, and are available in electronic format on the web-site of ROSSTAT. The full release of nine volumes of data will be published by 2009. NASS will continue to provide technical assistance in data analysis to ROSSTAT and MOA throughout 2008 and 2009.

(C) Provide Technical Assistance And Training To ROSSTAT In Survey Design And Sampling Methodology.

The large data collection activity which began in July 2006 provided extensive data bases of Russian agricultural producers, and much more information than in the past. Such data bases provide ROSSTAT with the opportunity to design new agricultural surveys, utilizing the new data bases as frames for selecting samples of agricultural producers. This activity is an extension of the earlier effort to develop the capacity of ROSSTAT staff in sampling procedures and survey methodology necessary for acquiring basic agricultural information used for decision making. NASS has provided training to conduct pilot and then full scale surveys of private farms and private rural households. Both of these survey efforts have resulted in publications being produced and released, both in Russian and English. While these surveys have provided invaluable information on basic crop and livestock statistics, the importance of the private sector and changing conditions in the Russian Federation dictate the need for additional information to monitor the economic and market situations.

NASS will provide technical assistance and training to ROSSTAT in designing new surveys of the 16,000,000 rural agricultural households. Since 1998, a survey of 15,000 rural households has been conducted monthly throughout Russia. Considering the importance of agricultural output from rural family households, the need for additional information, and the need for more detailed information, the Russian MOA and ROSSTAT agreed to develop new sample surveys for rural households. The new surveys will be a follow-on to the large data collection effort undertaken in July 2006, and will periodically update statistics for rural households.

NASS will also provide technical assistance and training to ROSSTAT in designing surveys of the 18,600,000 orchard and kitchen gardens (households in cities, towns and villages with agricultural land). Currently there is no on going statistical data collection of this sector. ROSSTAT has agreed to develop new sample surveys to measure the agricultural activity of the 18,600,000 orchard and kitchen gardens. The new surveys will be a follow-on to the large data collection effort undertaken in July 2006, and will periodically update statistics for orchard and kitchen gardens.

Technical assistance efforts will focus on more sophisticated aspects of survey design, survey administration, and sample selection. Work on the development of new surveys began in early 2008. Pilot surveys will be conducted in year 2008. New surveys will be conducted throughout the Russian Federation starting in year 2009. NASS assistance to ROSSTAT will take place during the last half of 2008, and throughout 2009. The result of NASS training and consultation to ROSSTAT will facilitate ROSSTAT in designing and implementing a new system of surveys to periodically monitor agricultural activity of private households in Russia. Results from the new surveys will be a major input to the new Agriculture Information System

VI. KEY CONTACTS.

USDA/NASS Management of the project will be under the guidance of Larry Sivers, Director, International Programs. In country contacts for the project are Vladislav Temnikov, Advisor to the Minister on Information Technologies, Ministry of Agriculture, and Alexandra Ephikina, Director, Agricultural Department, Russian Federal State Statistics Service.