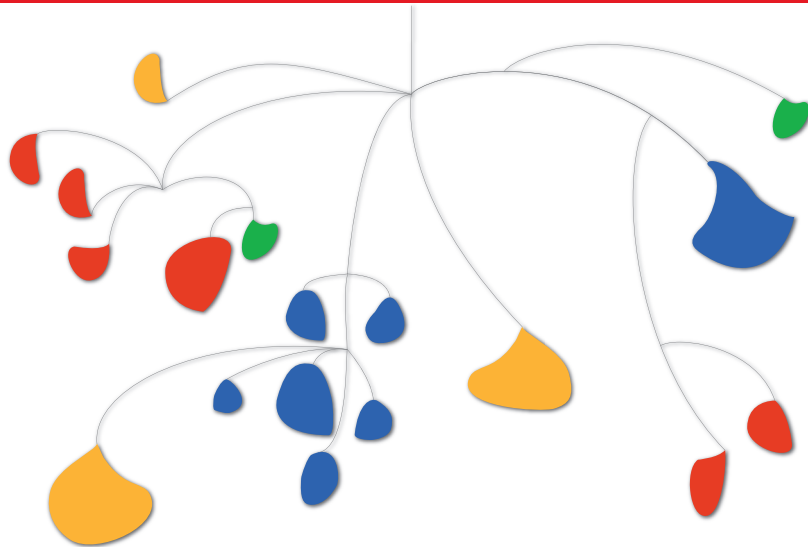


## **Fourth Session of the AMIS Rapid Response Forum**

Defra Nobel House (Room 808)  
17 Smith Square, London, SW1P 3JR United Kingdom

26-27 March 2015

# **AMIS PROGRESS AND ACTIVITIES: MARCH 2014 TO MARCH 2015**



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# Executive Summary

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2014 should have marked the start of a new phase in AMIS market information and forecasting activities as data provided by national focal points were meant to feed into world totals reported by AMIS. Unfortunately, however, data transfers from participating countries remained insufficient. Only five countries honoured their commitment to send monthly forecasts for all the elements of their crop balances. As a consequence, much of the analysis of global market conditions continued to rely on already existing information sources, such as FAO, IGC and USDA. In order to make AMIS a truly collaborative initiative, as constituted in the AMIS Terms of Reference, the Secretariat seeks a renewed commitment of all participating countries to support AMIS with “regular reliable, accurate, timely and comparable data regarding the supply and demand position and its probable short term development” (AMIS TOR: Section 3b-i).

Close collaboration between the AMIS Secretariat and participating countries is vital, as illustrated by several successes achieved in 2014. As a case in point, intense exchanges with five volunteer countries on the monthly decomposition of supply and demand balances provided important insights that helped both the Secretariat and the respective countries to improve their data systems. In addition, the AMIS Exchange Programme that was launched last October helped sensitize focal points from South Africa and Vietnam, the first two countries participating in the Programme, to the information needs of AMIS and adjust data transmissions accordingly.

Collaboration produces valuable outputs. By offering an assessment of the world market situation, AMIS provides services that are appreciated by a growing number of stakeholders. A user survey of the initiative’s main outlet, the “AMIS Market Monitor”, illustrates that readers consider the publication as “highly informative” and “extremely useful in providing a snapshot of the global market”. Enhanced country collaboration would further strengthen the quality and relevance of this global public good.

The Secretariat is available to extend the necessary support and resources, for example by developing new methodologies, building country capacities and offering a platform for dialogue. In 2014, it released new research to better estimate feed utilization, understand the transmission

of global benchmark prices to producer level, and measure stocks positions. Results of the latter were further discussed in the framework of an international expert workshop in November and will hopefully be endorsed as one of the cornerstones of the Secretariat’s 2015 work programme. The Secretariat also expanded its suite of market indicators and enhanced the Policy Database to better monitor drivers of price hikes. It continued its multi-year capacity building projects in Bangladesh, India, Nigeria, the Philippines and Thailand that produced first results, such as bilateral study tours and training workshops. Finally, the Secretariat continued the regular cycle of policy and technical meetings with both the AMIS Rapid Response Forum and the Global Food Market Information Group, that were supplemented by occasional country visits, numerous discussions via telephone and email, and national workshops and seminars in the framework of project activities.

The Secretariat firmly believes that 2015 will be critical for the success of AMIS, and seeks support of the Rapid Response Forum going forward. Enhanced country collaboration is a key prerequisite to advance on basically all output areas identified in the AMIS Terms of Reference. Apart from ensuring the regular data transfers, participating countries are also requested to explore and consider ways to ensure the sustainability of the G-20 AMIS initiative, for example by providing financial and in-kind resources to replace grants that will expire this year or shortly after. AMIS is becoming a trusted source of market information and offers a unique mechanism to foster country collaboration and dialogue. Now is the time to consolidate past successes and further accelerate progress.

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## Background

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Established at the request of the G20, the Agricultural Market Information System (AMIS) is an inter-Agency Platform to enhance food market transparency and encourage coordination of policy action in response to market uncertainty. As outlined in the AMIS Terms of Reference, the initiative compiles relevant market and policy information to effectively inform AMIS participating countries and other stakeholders of the market situation and outlook. To the same end, AMIS is engaged in research activities to better understand market developments and identify meaningful indicators to monitor market and policy



conditions. In addition, it detects knowledge gaps and technical needs in participating countries and gradually addresses them through capacity building activities. The initiative disseminates its information and analysis through multiple channels, including web and print media, and promotes dialogue and policy coordination through regular meetings with participating countries. This document gives an overview of progress and activities since the last meeting of the Rapid Response Forum in March 2014 and highlights main focus areas for 2015 as regards the five main outputs of the initiative listed below:

## Information collection

### Work on supply and demand balances

After the collection of historical supply and demand balances was successfully concluded in 2013, collaboration with countries should have entered into a new phase in 2014 when national focal points were asked to provide forecast information to the AMIS Secretariat on a monthly basis. It was hoped that, starting in July 2014, figures provided by the focal points could gradually be introduced for the calculation of world totals reported in the AMIS Market Monitor.

Unfortunately, however, the regular transfer of forecast information from AMIS participating countries proved challenging. Over the reporting period, only five countries honoured their commitment to send monthly forecasts for all the elements of their crop balances. Less frequent, mainly quarterly, updates were received from another ten countries, usually following a reminder by the AMIS Secretariat. Other countries either provided incomplete or outdated information, or completely failed to communicate with the AMIS Secretariat.

On a more positive note, all countries that have sent forecasts usually also provide a short description of the respective methodology that is being applied. This information is critical to assess the quality of the forecasts and detect possible inconsistencies across countries. By reviewing methodological notes, many fundamental problems of previous forecasts could be resolved, such as ensuring that the supply side of balances adds up to the sum of elements on the demand side, and that estimates refer to a National Marketing Year relevant for each country. However, countries frequently failed to communicate changes in the underlying methodology in the course of the season, which prevented an even closer monitoring by the AMIS Secretariat. For a complete update

### MAIN OUTPUTS OF AMIS

#### Output 1: Information collection

Available information, including both statistical data as well as market and policy drivers, concerning production, utilization, stocks and trade of AMIS crops is collected, evaluated and disseminated.

#### Output 2: Research

Relevant methodologies and indicators are developed to monitor and analyze market and policy conditions, and provide improved forecasts and market outlooks.

#### Output 3: Capacity development

Capacity of national data producers is strengthened to collect and validate data on production, utilization, stocks and trade of AMIS crops.

#### Output 4: Dissemination

Policy makers in AMIS participating countries and other stakeholders are effectively informed of the market situation and outlook, including on relevant policy developments.

#### Output 5: Policy Dialogue

Dialogue is strengthened among policy makers in AMIS participating countries and other stakeholders in international food markets.



on the status of country collaboration, please refer to AMIS: RRF/4-2015/4.

Looking forward, it is clear that the frequency, timeliness and consistency of data transmissions need to increase so that AMIS can rely more strongly on country-led information for its market analysis. This challenge is not new, and it has already been communicated to AMIS participating countries in various ways; so far, however, to no avail. As stated in the AMIS Terms of Reference, the success of AMIS critically hinges upon the active collaboration of participating countries. Against this background, the Secretariat seeks a renewed commitment of the Rapid Response Forum to support AMIS that will translate into constructive engagement of national focal points.

While work on supply and demand balances proved overall challenging, 2014 also produced some success stories, including an enhanced information exchange on the monthly decomposition of supply and demand balances as well as the launch of the “AMIS Exchange Programme for National Focal Points of the Global Food Market Information Group” in October 2014. The Secretariat seeks to build on these promising initiatives and deepen collaboration with countries in 2015.

#### ***Monthly decomposition of supply and demand balances:***

Apart from the regular collection of annual supply and demand balances, the Secretariat intensified collaboration with five participating countries to decompose these figures on a monthly basis (July to September 2014). The exercise, which was much appreciated by the respective countries, emphasized the importance of defining a meaningful National Marketing Year and allocating production figures accordingly. Based on the positive outcomes, five additional countries volunteered to apply this approach; outcomes will be reported to the May 2015 meeting of the Global Food Market Information Group (“Information Group”).

**AMIS Exchange Programme:** The objective of the Programme is to familiarize national focal points with the work of the Secretariat and to sensitize them to the information needs of AMIS. In this way, the Programme is expected to significantly improve data submissions from countries, for example by ensuring that focal points follow the methodological guidance and recommended best practices identified by the Secretariat. The first cycle of the Programme allowed representatives of South Africa and Vietnam to spend two and a half months with the

AMIS Secretariat in Rome (October to December 2014). Both participants confirmed that the stay proved extremely valuable to better understand how national data need to be modified to be aggregated for global analysis. In 2015, the Secretariat will invite representatives from four other countries for the second and third cycle of the Programme.

### **Compiling market and policy indicators**

The compilation of market and policy drivers continued to be an important focus of the Secretariat’s work in 2014. With the introduction of a new set of indicators to monitor the profitability of ethanol production from maize, the Secretariat expanded the suite of market drivers that are collected, analyzed and disseminated. The indicators, which were developed in close collaboration with the United States Department of Agriculture (USDA), include information on profitability margins, ethanol mandates and plant production capacity in the United States, the world’s largest producer of maize-based ethanol. A new page in the AMIS Market Monitor is dedicated to presenting and interpreting these indicators, which are also available on the AMIS website for further analysis.

Important progress was also achieved as regards the collection and analysis of policy drivers. Specifically, a first prototype of the web application of the AMIS Policy Database was presented to national focal points at the May 2014 meeting of the Information Group, who welcomed the tool as a valuable addition to ongoing AMIS work. After incorporating changes suggested by participating countries, the second prototype of the application was launched at the October 2014 meeting of the Information Group, which also provided an opportunity to further familiarize national focal points with the tool in the framework of an interactive workshop. Improvements included a complete redesign of the “query and download” page, the development of a more intuitive and user-friendly layout, and the adjustment of the “policies at a glance” page. In order to allow participating countries to continuously share their experiences with the application, the AMIS Secretariat also created a feedback system that is now operational. The work programme for 2015 foresees the continuous updating of the database; the development of a first version of the input tool to allow countries to add, modify, and validate policy information; and further improvements on the functionalities of the application before it is publicly launched on the AMIS website.



## Research

In 2014, the AMIS Secretariat published the results of several research initiatives and developed a work plan to improve stocks information. Specifically,

- A scoping paper reviewed existing methodologies for the estimation of **feed utilization**, which were used to validate and improve a global feed model;
- A research paper analyzed the extent of **price transmission** from global benchmarks to producer level in six countries (Argentina, Brazil, China, South Africa, Ukraine, United States);
- A review of methodologies to **measure stocks positions** helped structure an expert meeting on the same topic in November 2014.

Following the publication of a global scoping paper to review existing methodologies for the estimation of **feed utilization** (April 2014), activities in the remainder of the year focused on linking qualitative findings from the underlying country-case studies to more quantitative methods of feed-use estimation. To this end, key findings of the studies regarding animal numbers, intensification rates and the efficiency of the livestock sector were used to improve and validate a global feed model. In close collaboration with the authors of the country reports, who organized roundtable discussions with local stakeholders (see section on “Policy Dialogue” for more information), the model was calibrated to better reflect empirical findings, for example by assessing the quality of the respective parameters and addressing remaining knowledge gaps. Finally, by disaggregating model outcomes for each of the four AMIS crops, the feed model was used to prepare food balance sheets for all AMIS countries that were shared with national focal points in December. For 2015, it is foreseen to publish a web application of the feed model to invite experts from around the world to test and further improve the tool.

After being presented for discussion at the May 2014 meeting of the Information Group, the study on **price transmission** from global benchmarks to producer level was finalized using inputs from AMIS participating countries (October 2014). Specifically, Argentina's feedback helped improve the description of domestic support policies and the country's overall economic context; Brazil provided updated data and information on recent policy

developments; the United States commented on biofuel policies and shared new insights on farm-gate prices, which allowed deepening and broadening the respective section; and the European Union had specific advice on selected issues, such as the role of the farm size for productivity. The EU also proposed to continue research on the relevance of global benchmarks through a more quantitative analysis, which is currently being considered for the Secretariat's work programme of 2015.

Finally, the AMIS Secretariat used the findings from an overview of existing methodologies for **stocks measurement** to prepare an expert meeting on the same topic in November 2014. Stocks measurement is problematic due to the absence of reliable data on stocks held by the government, farmers, commercial agents and end users. The meeting, which was hosted by the International Grains Council (IGC) in London, resulted in a set of broad recommendations that will be presented to the 2015 meeting of the Rapid Response Forum. For more information on the outcomes of the stocks meeting, please see RRF/4-2015/9.

## Capacity development

AMIS is currently implementing two multi-year capacity development projects: one, financed by the Bill and Melinda Gates Foundation, to strengthen agricultural market information systems in Bangladesh, India and Nigeria through improved methods and digital innovations; another, financed by the Government of Japan, to improve rice statistics in Thailand and the Philippines.

Over the reporting period, several IT solutions were developed to support countries in the management of their price, stocks and forecast data while literature reviews investigated available methodologies in these three statistical domains. At country level, priority activities and project objectives were defined with national stakeholders and converted into concrete work plans that are gradually moving towards implementation. Specifically:

- In Bangladesh, project activities have been officially endorsed by the Government, with a focus on measuring food grain stocks and improving production forecasts.
- In India, the scoping of the AMIS support proposal was initiated with the Ministry of Agriculture and the Ministry of Statistics and Programme Implementation,



to be endorsed in early 2015; focus will be on measuring food grain private stocks.

- In Nigeria, the AMIS support proposal was officially endorsed by the Government, so implementation already started at federal level and in two states; focus is on improving statistical practices and data access, market price information systems, and production forecasts.
- In the Philippines, a new methodology for crop-cutting surveys was developed and tested; the “Second Joint Workshop on Rice Data for Thailand and the Philippines” was organized in Manila on 3-4 December 2014; and the 2015 work-plan was endorsed by the Government.
- In Thailand, data quality was assessed for major surveys in both central and decentralized offices; a study tour to the Philippines was organized for Ministry staff to learn about the data quality control systems; an in-country training was conducted for 90 officers of the Office of Agricultural Economics on data quality control; guidance was provided on including direct measurement of stocks at farm level in an existing survey; and the 2015 work-plan was endorsed.

In 2015, the implementation of country activities will expand further, reaching a volume of approximately USD 1.5 million in project deliverables. Two methodological workshops, one scheduled in India on stocks measurement and another in Bangladesh on yield forecasting, are particularly noteworthy. In addition, both capacity development projects will continue providing global public goods, such as new IT solutions or statistical guidelines in areas of particular relevance to AMIS.

## Dissemination

The “AMIS Market Monitor”, launched in September 2012, continues to be the main outlet for AMIS market analysis. As evidenced in a user survey conducted in December 2014, the publication is appreciated by its readers as being “highly informative” and “extremely useful in providing a snapshot of the global market” (see [www.amis-outlook.org/survey](http://www.amis-outlook.org/survey) for more information).

As regards the Monitor’s scope and coverage, the collaboration with GEOGLAM, the GEO Global Agricultural Monitoring initiative launched by the G20, continued to prove particularly beneficial. In close exchange with the AMIS Secretariat, GEOGLAM developed new charts and images to visualize its assessment of growing conditions of AMIS crops

in the world’s major producing regions. These charts, which were introduced to the Monitor in May 2014, condense information from satellite imagery, ground observations, and meteorological data into two main outputs: (i) a world map highlighting areas where growing conditions are exceptional, favourable, to be watched, or poor; and (ii) pie charts for each of the AMIS crops indicating the drivers of potential risks to growing conditions. Since the September 2014 issue, the Monitor also features a new page analyzing the profitability of ethanol production from maize in the United States that was already mentioned above.

The collaboration with USDA on the ethanol charts and with GEOGLAM on the crop monitor provides another example of the Monitor’s overall approach and strength: i.e. combining market intelligence from different AMIS members, participating countries and partners. Other contributors of the Monitor include IGC for the analysis of international commodity prices; the Organisation for Economic Co-operation and Development (OECD) for the policy monitor; and the Food and Agriculture Organization of the United Nations (FAO) for the compilation of supply & demand balances.

As of October 2014, each edition of the Monitor has also been published electronically on the AMIS website. By using a responsive design, the respective pages can be consulted on desktop computers, tablets and smartphones, which has helped to further strengthen the visibility and outreach of the publication. Overall, the AMIS website continues to be a main channel of information dissemination that was consulted by close to 35,000 users in 2014 (representing an increase of more than 20% compared to 2013). In addition to the Market Monitor pages, the web presence of AMIS consists of a Statistics Portal with up-to-date information on key market fundamentals; the Policy Database and web application, offering a comprehensive repository of policy information relevant for global market developments; and a generic section featuring research papers, meeting reports and background information to better understand the AMIS initiative and the crops being monitored.

A review of the IT infrastructure of AMIS conducted in December 2014 provided important insights to further strengthen and improve the web presence of AMIS. Recommendations will be implemented in the course of 2015, for example providing a better link between the different sections of the AMIS website and using services such as the web application of the feed model to increase the visibility, relevance and quality of AMIS outputs.





## Policy dialogue

The AMIS Secretariat continued the regular cycle of technical and policy meetings in 2014. Decision-making officials gathered in Canberra on 6 March 2014 at the invitation of the Australian Bureau of Agricultural and Resource Economics (ABARE) for the third session of the AMIS Rapid Response Forum. The meeting reviewed overall progress of AMIS and discussed the 2014 work plan. At the suggestion of Australia, the meeting also launched a process to evaluate the performance of AMIS, which has subsequently been supported by a country working group (for more information on this exercise, please refer to AMIS: RRF/4-2015/5). Since a new Chair country could not be identified directly at the meeting, the election was held through an electronic ballot which confirmed the United Kingdom as new AMIS Chair, which started its term at the October 2014 meeting of the Information Group.

As for technical meetings, representatives of the Information Group gathered in Mexico City on 20-21 May 2014 at the invitation of the Mexican Information System for Agriculture and Fisheries (SIAP) and in FAO headquarters in Rome on 9-10 October 2014. Highlights of the May meeting included the launch of the AMIS Policy Database, a review of the new monitoring tools suggested by GEOGLAM, and the presentation of new research on the impact of futures markets on producer prices and the measurement of cereal use for feed. Highlights of the October meeting included an interactive discussion on global market conditions with all national focal points; the presentation of the AMIS Evaluation Framework prepared by the country working group; a podium discussion on the role of remote sensing for the forecasting of AMIS crops; and a presentation by the five volunteer countries concerning their experiences in decomposing supply and demand balance on a monthly basis.

Apart from these regular events, the AMIS Secretariat organized several smaller meetings to foster policy dialogue within or among AMIS participating countries. For example, as part of the research project on improving knowledge on feed utilization, the AMIS Secretariat organized national workshops on estimating feed use in Indonesia, Thailand and Vietnam. Bringing together representatives from ministries of agriculture, statistical agencies and feed associations, the workshops provided an opportunity to discuss the relevance of the respective case study findings for national policy making and familiarize AMIS focal points

with available techniques to estimate cereal use for feed. In addition, the "Second Joint Workshop on Rice Data for Thailand and the Philippines", organized as part of the Japan-funded capacity development project, provided an opportunity for each country to learn from the experiences of the respective other, for example in conducting crop cutting surveys and designing an efficient data quality control system.

The first policy dialogue event in 2015 is the March meeting of the Rapid Response Forum, followed by the seventh session of the Information Group in Rome, scheduled for 14-15 May. The Information Group is tentatively expected to meet again on 12-13 November. In addition, the Secretariat plans a workshop with national experts on stocks measurement in China, to be organized in early summer.

## Looking ahead: Strengthening past achievements

2015 will be an important year in many respects. In terms of information collection and the dissemination of timely market information, the AMIS Secretariat counts on improved contributions from participating countries that need to send regular forecasts and potentially adjust national data systems to provide the requested information. In the area of research, the Secretariat hopes for a positive signal from the Rapid Response Forum to continue efforts in measuring stocks positions and designing the necessary tools and methodologies to effectively support countries in this endeavour. As for capacity development, outcomes and lessons learnt of the ongoing multi-year projects in Bangladesh, India, Nigeria, the Philippines and Thailand will offer improved solutions for data generation, storage and dissemination that will hopefully be adopted by other participating countries as well. The Secretariat also puts high hopes into the second and third cycle of the Exchange Programme and will continue bilateral exchanges with country focal points to further improve data transmissions by participating countries. Finally, as regards resource mobilization and the financial sustainability of AMIS, the Secretariat calls on all participating countries to explore ways of supporting the initiative to ensure that AMIS can continue operating after the current grants expire starting at the end of 2015. For more information on the current financial situation of AMIS and expected resource needs, please see AMIS: RRF/4-2015/3.



## Calendar of main meetings and events (March 2014 to March 2015)

Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015
<b>6</b> 3 <sup>rd</sup> meeting of the AMIS Rapid Response Forum, Canberra	<b>1</b> Presentation of AMIS to University of Hohenheim	<b>7</b> Launch of improved GEOGLAM charts for AMIS Market Monitor	<b>4</b> Consultation with Germany on AMIS contribution, Rome	<b>1</b> Arrival of new staff member seconded from Germany	<b>2</b> Presentation of AMIS to US Senate delegation, Rome	<b>1</b> Start of collaboration with USDA on AMIS Market Monitor	<b>1</b> Start of the AMIS Exchange Programme with the arrival of participants from South Africa and Vietnam	<b>4-5</b> Bilateral discussions with national focal points on balances, Ankara	<b>1-5</b> Review of AMIS IT infrastructure, Rome	<b>15-16</b> Presentation of AMIS at the Global Forum for Food and Agriculture, Berlin	<b>2-3</b> Annual review meeting with Japan, Rome	<b>26-27</b> 4 <sup>th</sup> meeting of the AMIS Rapid Response Forum, London
		<b>14</b> UK announced as new AMIS Chair, taking over in October 2014	<b>23</b> Consultation with the UK on AMIS contribution and role as Chair, Rome	<b>14</b> National workshop on feed utilization, Manila	<b>22</b> National workshop on feed utilization, Bangkok	<b>18</b> National workshop on feed utilization, Hanoi	<b>8</b> Market Monitor published electronically	<b>6-7</b> AMIS presentation at Agricultural Market Information Network for Mediterranean Countries, Izmir	<b>3-4</b> 2 <sup>nd</sup> Joint workshop with Thailand and the Philippines on rice statistics, Manila		<b>16-18</b> Country mission to AMIS focal points, New Delhi	
		<b>20-21</b> 5 <sup>th</sup> meeting of the Global Food Market Information Group, Mexico City					<b>8</b> 4 <sup>th</sup> meeting of AMIS Secretariat Steering Committee, Rome	<b>21</b> Expert Meeting on Stocks Measurement, London				
		<b>22</b> Bilateral discussions with national focal points on balances, Mexico City					<b>9-10</b> 6 <sup>th</sup> meeting of Global Food Market Information Group, Rome					