

ECONOMIC ANALYSIS OF AGRICULTURAL POLICIES

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QUARTERLY REPORT, FY 79

July 1 through September 30, 1979

by the

NUTRITION ECONOMICS GROUP

Office of International
Cooperation and Development
U.S. Department of Agriculture

QUARTERLY REPORT

This report highlights the major activities of the Nutrition Economics Group during the fourth quarter of FY 79 (July 1 through September 30, 1979). Additional information on any of these topics can be obtained by contacting the Group at (703) 235-2290.

PROJECT DEVELOPMENT AND SUPERVISION

"CONSUMPTION EFFECTS OF AGRICULTURAL POLICIES" (CEAP)

All four regional Bureaus signed off on the project, and the paperwork was sent forward to the DS Program Office.

Preliminary work on the short-term policy and project impact studies was started again. A cable describing these sub-projects and asking missions interested in participating to respond was drafted by the Group and sent out by the Latin American Bureau. A paper describing these projects in more detail was also drafted and sent to the seven Latin American missions that responded to the cable. Discussions were initiated with the African Bureau and plans made to send a similar cable to selected African missions.

These are the first sub-projects to be financed under CEAP. Both projects are expected to develop relatively simple methods for analyzing agricultural policies and projects to determine how they affect food availability, employment, incomes, and prices, and what happens to consumption patterns and implied nutrient intakes when these variables change. To achieve this purpose, short-term, in-depth analyses will be financed in six selected countries (four policy studies and two project studies). These case studies are meant to be exploratory, in recognition of the large number of variables which are likely to affect people's consumption patterns and the complex relationships among them. They are also expected to help identify more clearly the technical problems involved in undertaking such analyses at the same time that they provide some preliminary analytical policy guidelines. The policy guidelines are expected to have relevance to the specific countries involved, whereas the analytical guidelines should be utilizable by others wishing to undertake similar analyses.

CENTRAL AMERICA - On July 12, RAC reviewed the ECID proposal to study the effects of agricultural development policies on the nutritional status of the Central American population. RAC enthusiastically supported the project but made final approval contingent upon ECID fulfilling three requests. First, funding would depend upon the filling of the two top positions by ECID with people approved by the RAC technical subcommittee. Second, RAC requested that ECID limit its work to Honduras and eliminate the work designed to refine and extend the Central American model. Third, RAC wanted the technical subcommittee provided with a list of Honduran agricultural policies they intend to analyze. Since this meeting ECID has agreed to these conditions and is in the process of finding two acceptable people to head the project.

STAFF/MISSION SUPPORT

MISSION SUPPORT

Bolivia (Rural Household Consumption Survey) - The Nutrition Economics Group provided USAID Bolivia with two TDY consultants to assist with the design of a mission supported rural household consumption survey. Marco Ferroni (an economist) reviewed and refined the Rural Household Survey questionnaire that he developed in August 1978 during a Nutrition Economics group TDY. Ferroni also developed the implementation plan and time schedule for the survey, and identified the additional technical assistance required to implement the survey. Garrie Losee (Associate Director for Cooperative Health Statistics Systems, NCHS) worked with the Bolivian National Statistics Institute (INE) to develop the preliminary sample design for the rural household consumption survey. Losee was also asked to design a sample for a nationwide study on the causes and incidence of anemia in Bolivia and to design a methodology for defining the target group for the food and nutrition plan developed by the Nutrition Coordination Group of the Ministry of Planning.

The Ferroni and Losee visit helped the Mission decide to go ahead with the rural household consumption survey but to scale it down to meet the constraints of budget (not to exceed \$350,000) and time (completion date August 31, 1981). The Mission also decided that a pilot survey, designed to develop and evaluate alternative methodologies for measuring household expenditures and food consumption, was very important and if undertaken simultaneously with the scaled-down survey could help the Mission interpret data from the scaled-down survey. According to Ferroni and Losee, substantial RSSA assistance would be necessary to carry out such a pilot survey, however, since the Mission does not have sufficient funds for both, RSSA assistance for the pilot survey seems possible since development and testing of alternative methods for measuring household food consumption is directly related to the objectives of the CEAP project.

Dominican Republic (Household Consumption Survey) - Two RSSA consultants were sent to the Dominican Republic in July to review the Central Bank's Household Consumption Survey data. Phil Musgrove (an economist) and Laurent Ross (a computer programmer), both from the Brookings Institution, examined the data to determine its quality, the types of analyses possible, and the additional steps necessary to ready it for analysis. They also provided the Central Bank programmers and analysts with advice on how to document the data set and gave a well-attended seminar on consumption analysis. Musgrove and Ross concluded that (1) the data was qualitatively good but (2) would require further cleaning prior to analysis.

Haiti (Socio-Economic Survey) - Irwin Shorr, a Nutrition Economics Group consultant, began work with the FAO/World Bank Integrated Development Project in northern Haiti in August. Shorr's task was to add a nutrition component to the socio-economic survey undertaken earlier in the year in the program area and to help design the new socio-economic survey to be conducted in early 1980. Both surveys will be used as a basis for analyzing the impact of the integrated development project. Shorr also added a socio-economic dimension to the nutrition survey carried out in Haiti by the Center for Disease Control (CDC). Shorr will return to Haiti in 1980 to help implement the socio-economic survey.

Cameroon (Household Consumption Survey) - The RSSA team leader and Emmy Simmons (AID/PPC) were in the Cameroon in early August reviewing government plans for a household consumption survey. After intensive working sessions with the USAID and the Ministries of Planning and Agriculture, an agreement

was reached that the Nutrition Economics RSSA would provide the following TDY assistance to the Cameroon Household Consumption Survey: (1) a survey design consultant and a sampling statistician from October through November; (2) a survey design consultant, an economist/nutritionist, and a data processor from February through March; and (3) a survey consultant from May through June. The Cameroonians expect this survey to lead to major improvements in the quantity and quality of statistics available for formulating policies and development planning. The survey findings, for example, could improve the basis for making agricultural producer price decisions, indicate income and price elasticities for many household consumption items, and indicate nutritional adequacy of diets according to regional and income strata. Although some progress had been made in designing the sample and preparing the questionnaire, prior to the van Haeften and Simmons visit, the survey was stalled for lack of financing.

Cameroons (Marketing Study) - Kathleen Heffron, a Nutrition Economics Group consultant, spent July and August in northwest Cameroons designing and supervising a multi-round household budget survey of approximately 100 households. She will use this data as a basis for evaluating the impact of the marketing system in northwest Cameroons on the food consumption and expenditure patterns of local households. Our office is cooperating with DS's Rural Development Office in this study. Ms. Heffron's report is expected to shed light on agricultural marketing policies and their potential impacts on food consumption patterns (an objective of the CEAP project) as well as to the objectives of DS/RAD's team.

Thailand (Agriculture Planning) - A three-day stop in Thailand by the RSSA team leader served to clarify the Mission's request for DS assistance with an agricultural planning project. The Mission indicated it wanted a team ASAP to draft a PID for a new agricultural planning project. The team will be expected to take a broader look at the organization and functions of the Office of Agricultural Economics (OAE) than originally contemplated due to the Office's recent reorganization. The Mission specifically requested our office's participation on the team. Plans are to use this opportunity to reopen discussions with the Mission and OAE about developing a collaborative project designed to focus on the consumption/nutrition effects of agricultural policies which would complement the USAID's agricultural planning project.

Sri Lanka - While in Sri Lanka for the SID World Conference, the RSSA team leader met with John Ericksson, USAID Deputy Director, to discuss Sri Lanka's conversion from ration to a food stamp program. Also discussed were the possibilities for providing assistance to the Sri Lankans through the RSSA, if the Government would be interested in help with program evaluation.

STAFF SUPPORT

Mini and Micro Computers for Household Consumption Surveys - Several AID Missions have asked which types of hard- and soft-ware are most appropriate for their needs. In exploring the range of possibilities, RSSA staff met with Jim Barry (ESCS), Jim Wheaton (ESCS), Mike Singer (AMS) and Paul Greenough (AID/PIAS). Three main areas where a thorough knowledge of machinery availability could be helpful appear to be: (1) in the data collection stage where information can now be fed directly into hand-held systems without the use of questionnaires; (2) in the cleaning of household consumption survey data; and (3) in the analysis of data. Our office has begun to explore the best way to collect and disseminate reliable information on the types of systems available for these three areas and their relative costs. We are also discussing the possibility of testing one or more of these systems in the household consumption surveys in the Cameroons and Bolivia.

LIAISON WITH THE PROFESSION

16TH WORLD CONFERENCE OF THE SOCIETY FOR INTERNATIONAL DEVELOPMENT

Roberta van Haeften, RSSA team leader, was elected as one of the four North American representatives to the SID International Governing Council. She was installed during the sixteenth World Conference in Colombo, Sri Lanka in August.

NUTRITION COORDINATION WITHIN USDA

Nutrition Economics Group members met with Rod Crowley (OICD) and Audrey Cross (SEA) to discuss the various nutrition-related activities being undertaken within USDA. The main thrust of the meeting was to explore the possibilities for greater intra-agency communication and coordination of activities.

JOINT STATISTICAL CONFERENCE

Linda Smith attended the Annual American Statistical Association Conference held August 13-16 in Washington. Of particular interest were sessions on the policy considerations and methodologies used in national nutrition and consumption surveys.

WORLD FOOD ASSESSMENT

Jason Clay attended a USDA seminar given by Tom Poleman (Cornell) to discuss "Quantifying the Nutrition Situation in Developing Countries". Poleman made three major suggestions about USDA's annual World Food Assessment. First, he recommended that the assessment be done every three to five years rather than annually. Second, he discouraged more than a general discussion of nutrition and food trends, saying that the data available on energy requirements, food distribution, and income do not allow for meaningful specific calculations. Finally, he recommended that recent national household consumption surveys be used as cases in the World Food Assessment to illustrate consumption and food distribution by income groups.

USDA AGRICULTURAL POLICY SEMINAR

Linda Smith and Jason Clay conducted a workshop for eleven agricultural planners from developing countries. The group examined a case study of a predominantly agricultural country where malnutrition is a chronic problem. Smaller discussion groups explored alternative policy options, making explicit impacts of each alternative on nutrition. One purpose of the exercise was to show participants the relevance of considering nutrition in the development of agricultural policies. It also encouraged the participants to think through policy options in terms of their impact on nutrition. The workshop was part of a month-long Agricultural Policy Seminar organized by OICD's International Training Division.

AMERICAN AGRICULTURAL ECONOMICS ASSOCIATION MEETINGS

Roberta van Haeften was the discussant at a major session on food policy and nutrition at the AAEA meetings in August. Papers were presented by Peter Timmer (Harvard), Macello Selowsky (World Bank) and Leonard Joy (University of California).