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QUARTERLY REPORT

September 1 - December 31, 1992

Economic and Policy Analysis Project

Economic Wing

Ministry of Food, Agriculture and Cooperatives

Islamabad, Pakistan

Chemonics International Consulting Division

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EPA Deliverable

EPA Quarterly Report

(September 1 - December 31, 1992)

1.0: Highlights:

1.1. Progress: There have been accomplishments during Quarter IV of 1992, but these accomplishments have been accompanied by problems which continue to dog the project. 1) The Intern Program was implemented and is proving to be an effective program. 2) AGDAT/PC Version/1 has been completed and installed at four non EW sites. 3) The internal EW computer training program has worked well. 4) A task oriented work team was assembled and it generated estimates of the damages from the August, 1992 flood. 5) The work on the Pakistan Agricultural Sector Model (PASM) was completed. 6) The EW Food & Fiber System Input/Output model was updated and a report completed. 7) The Revised EW/EPA Work Plan was completed following an EW/EPA retreat at Murree.

Problems and Disappointments: **Despite much progress, the serious problems noted in earlier Quarterly Reports have persisted.** As a result, there is evidence of the EW's continued inability to either utilize the considerable capacity of the EW staff or to communicate with MINFA officials in an effective manner.

1) EPA has repeatedly requested that a briefing by EW staff be given to the Secretary and Additional Secretary, but this has not occurred. It is not surprising therefore that such MINFA officials appear to know neither the purpose nor the accomplishments of the EW/EPA project. Understandably, they appear to assume there have been no accomplishments by the EW/EPA project.

2) EW information is not being used by MINFA and the EW staff are not being encouraged in their efforts to provide MINFA with relevant economic information. This kind of situation demonstrates both lack of middle level leadership within the EW and the failure of MINFA to use the existing expertise of EW staff. The issues faced by MINFA involve increasingly complex economic issues and if the EW is to be effective, the EW must build and cultivate the expertise of its staff to deal with such economic issues and then find more effective ways to communicate the results of their work to MINFA officials.

3. The key to effective use of the EW capacity to contribute to the policy dialogue depends on the presence of a full cadre of effective Directors and Deputy Directors. Directors and Deputy Directors who understand the work of their staff, how such work can be used by MINFA and are able to assist in effective communication with MINFA officials. The Director General cannot function effectively without such assistance. Until December, 1992, there was only one functional Director in the EW and much of his time is taken up with policy implementation issues. In December, 1992 a promising Director for DAS was hired on a temporary basis (3 months), but for various reasons, this effort has not been effective. Unless effective leadership can be provided by a full cadre of effective Directors and Deputy Directors in the near future, it seems unrealistic to plan on an EW which is both effective and sustainable by June, 1993.

5. The problem of decreasing EW staff numbers in the face of increasing MINFA demands for EW staff work continues.

2.0 Progress During the Quarter:

2.1. Intern Program: The program started with seven interns, but one intern resigned in mid quarter to take a job with a bank. The intern orientation program was very successful, both in terms of the computer training and the training in applied economics. The interns developed work plans for specific activities and were assigned to work under the supervision of specific EW staff members. Their work was monitored on a regular basis. While this approach was successful in some cases, many of the EW staff had either little time or lacked the motivation to work with the interns and this approach, after consultation with the interns, was abandoned by the end of the quarter (31 December, 1992). During the quarter, the interns also began working as members of a task oriented work group set up to estimate flood damage. This approach proved effective both in terms of on job training for the interns and in terms of the interns assisting the EW to complete relevant work. The interns as a group have proved to be well trained, hard working and very interested in applied economic problems.

2.2. Responses to Changes in Wheat Procurement Prices: Early in October, 1992, speculation began about procurement prices for the 1992/93 wheat crop (the scheduled announcement time for wheat procurement prices is prior to planting time in September, but the announcement was not made until wheat harvest was well under way). Using recently published estimates of the price elasticity of

wheat, three interns estimated the response to two alternative procurement prices and used the EW farm income model to estimate the impact on wheat production and Gross Farm Income from wheat. The EW situation report on wheat was used as a basis to estimate the impact alternative procurement prices on the foreign exchange required for wheat imports. The results of the analysis were written up as a report and then summarized as a one page Policy Brief (included in this Report following Table 1) which was sent forward through the EW for use by MINFA officials. No response was received from MINFA. However, this effort represents the first time that the EW Farm Income model and EW Commodity Situation Reports had been used in combination to analyze a significant policy issue. The effort also proved to be a very good learning experience for the interns.

2.3. Flood Damages: Pakistan suffered a devastating flood during August of 1992. "The Committee for Research and Analysis" of the Prime Minister's Secretariat requested that the EW give a presentation on their estimate of the flood losses. The analysis was done by twelve person task oriented work team on a provincial basis using first "normal" acreage and yields and then "flood acreage and yields for four major kharif crops with proportional adjustments for all other kharif crops. An agenda for the overhead projector based presentation made on December 10, 1993 by six EW staff and one intern follows Table 1 of this report. The presentation was very well received and the EW was requested by the Secretariat to prepare a Policy Brief for the Prime Minister

(included in this Report following Table 1). In addition to the professional experience gained by both the EW staff and the interns in producing the substantive work, two lessons were learned anew. First, by combining micro economic analysis based on enterprise cost budgets with the EW Farm Income model and the EW commodity situation reports, micro and macro policy analysis could be linked and alternatives could be evaluated on the basis of their impact on commodity production, Gross Farm Income, Net Farm Income and foreign exchange. The second lesson was that this type of work could be done by the existing EW staff on a sustainable basis given suitable professional leadership within the EW.

2.4. Computer Training: The program to have more highly skilled EW staff teach the less skilled EW staff in the use of Quattro worked extremely well. Not only did the students learn a great deal, but so did the EW staff who functioned as teachers. One of the side benefits of the program was the increased realization on the part of EW staff that collectively, they were a very capable group. In addition, a series of classes on SPSS were presented by Mr. Shah of EPA.

2.5. AGDAT/PC: A series of seminars on AGDAT/PC were presented to very receptive audiences. AGDAT/PC-Version/1 was installed in the USAID/ARD offices, AU Faisalabad (two installations) and AU Peshawer. Modifications continued on AGDAT/PC until near the end of the Quarter. AGDAT became part of the AMIS of DAS and in the future, AGDAT/PC will be down loaded from AMIS. Both PS&D (USDA) and AGROSTAT (FAO) have proved excellent sources for comparative

data on yield levels and trends, exports and imports and production levels.

2.6. Input/Output: The TDY of Dr. Merle Faminow proved to be extremely effective in terms of the I/O work. First of all, the EW Food & Fiber I/O (F&FI/O) model was updated and a comprehensive report was prepared. Second, the results of the updated EW F&FI/O model was used to estimate the secondary economic impact of the August, 1992 flood. Third, Dr. Faminow and Rao Shafiq made contact with the I/O Section of the FBS and learned that an 80 sector model using 1984/85 technical coefficients was near completion. While the updated 80 sector I/O model was welcome, it was learned that unfortunately, production agriculture was represented in the model by only two highly aggregated sectors: a crops and a livestock sector. Dr. Faminow and Rao Shafiq carried on a series of discussion with the FBS I/O Section and it appeared that if EPA could disaggregate the model and produce an 84 sector I/O model with one sector each for wheat, cotton, rice, sugar cane and all other crops, FBS would consider such a breakdown in the update with 1989/90 technical coefficients that will start in the near future. The availability of such a model produced by FBS would be very advantageous to the EW since the EW can probably not continue to sustain efforts to update the EW F&FI/O model.

2.7. Revision of the 1992/93 EW/EPA Work Plan: A two day retreat during October was held at Murree with the objective of producing a 1992/93 Work Plan. The retreat was attended by the DG/EW, one EW Director and all persons functioning as Deputy

Directors in the EW along with USAID and IFPRI representatives as well as the two long term EPA advisors. A wide ranging and open discussion was held and by the end of the retreat it appeared that and understanding and agreement had been reached on most basic issues. Given that EPA was scheduled for closure in June, 1993 and that the number of EW staff continued to decrease and suitable mid level managers for the EW had not been recruited, it was agreed that the 1992/93 Work Plan should be involve only those activities that could be sustainable after June, 1993. Six key pages from the 1992/93 Work Plan are included in this Report following Table 1.

2.8. PASM: Dr. Steve Davies worked during his six week TDY to update PASM. The PASM Users Manual was completed and preparation for wheat policy study using PASM was begun. It was decided to close out the work on PASM by January, 1993 because the work would not be sustainable with existing EW staff after the completion of the EPA project.

3. Major Work Efforts - Ist Quarter, 1993:

3.1. Farm Income: After the completion of the Farm Income manuscript in August, 1992, it was determined that the 1990/91 farm income could be produced and that the estimates for eight years could be published. Plans were made to re-edit the manuscript to include 1990/91 farm income estimates.

3.2. Effective Communication: Plans were made to deal directly with the problems associated with the problems of effective communication within the EW and between the EW and MINFA officials.

3.3. Expanding Pakistan's Crop Production: It was agreed that the EW would cooperate with Dr. John Mellor (involved with a World Bank funded study of Pakistan's agricultural pricing policies) and examine the potentials for expanding Pakistan's crop production. It was decided that the same basic approach used in the analysis of the August, 1992 flood would be used for this work.

3.4 Computer Training: Plans were developed for the last planned formal computer training to be offered to EW staff. It was decided to link this training to items 3.2 and 3.3 above by concentrating on Quattro graphics and Quattro slide shows.

3.5. Input/Output Continued: As the result of Dr. Faminow's TDY discussed earlier, it was decided to obtain a copy of the FBS 1984/85 80 sector I/O model and disaggregate the one crops sector into five crop sectors.

3.6. AGDAT/PC: It was decided that during January and February, 1993, efforts would concentrate on distribution of AGDAT/PC. It was also decided that beginning in March, 1993, work would begin on the development of AGDAT/PC Version-2.

3.7 Intern Program: The major effort of the interns would be to complete their first Quarter reports by 31 January and to concentrate the rest of their time working as a member of the task oriented work team on expanding crop productivity and on the use of effective communication techniques to present the results in a manner that would be of interest to MINFA officials and other more general audiences.

ESTIMATING THE RESPONSE TO CHANGES IN WHEAT PROCUREMENT PRICES ^{1 2}

CONCLUSION: Higher Procurement Prices for wheat will result in increased wheat production, higher Gross Farm Income and savings on the foreign exchange needed to pay for imported wheat.

This Policy Brief presents a summary of the estimated impact for two possible levels for the 1992/93 wheat Procurement Price. The analysis shows that both wheat production and Gross Farm Income (GFI) will increase and that foreign exchange (FX) savings will also be generated by higher "real" Procurement Prices. "Real" prices are prices adjusted for the impact of inflation. Price elasticities show the changes in production associated with price changes. The estimated impacts were made using "real" prices and short run price elasticities. Normal weather conditions and input availability were also assumed. Long run price elasticities would result in impacts that are more than 2.5 times greater than the short term impacts.

Since the latest official wheat production data available is for 1990/91, it was necessary to use 1990/91 as the base year for this analysis. The procurement Price in 1990/91 was Rs. 112/md. A 1992/93 Procurement Price of Rs. 136/md. adjusted for inflation to the base year gives a "real" price in 1990/91 rupees of Rs. 114/md. while the real price of a 1992/93 Procurement Price of Rs. 150/md. in 1990-91 rupees is Rs. 131 per maund. The estimated impacts of 1992/93 Procurement Prices for wheat of Rs. 136/md. and Rs. 150/md. are presented in the table below.

Estimated Impact of Higher Procurement Prices for Pakistani Wheat:
Total Production, GFI and Foreign Exchange Requirements

	Nominal Proc. Price (Rs/40 kg)	"Real" Proc. Price (Rs/40 kg) (90/91 Rs)	Wheat Production (000 Md) (Md = 40kg)	GFI (mil Rs) (90/91 Rs)	FX Savings (90/91 Rs)
1990/91	112 Rs	112 Rs	363,973	40,765 Rs	
1992/93	136 Rs	114 Rs	365,140	41,756 Rs	150 Mil. Rs
Rs Change	+ 24 Rs	+ 2 Rs	+ 1,167	+ 991 Rs	
% Change	+ 21 %	+ 1.8 %	+ 0.3 %	+ 2.4 %	
1992/93	150 Rs	131 Rs	373,390	48,977 Rs	1.2 Bil. Rs
Rs Change	+ 38 Rs	+ 19 Rs	+ 9,417	+ 8,212 Rs	
% Change	+ 34 %	+ 17.0 %	+ 2.6 %	+ 20.1 %	

1. Compiled by EW/EPA Interns Muhammad Nadeem, Manzoor Ahmed and Akhter Hussain.

2. Policy Briefing Paper details provided by EW Technical Paper

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A Presentation

to

"The Committee for Research and Analysis"

Prime Minister's Secretariat

On

"Estimating the Economic Impact on Pakistan's Agriculture

of Changing Events and Policies"

by

Economic Wing, MINFA

on

December 10, 1992

The Example of the 1992 Flood Damages to Kharif Crops

I. Introductory Comments:

- a) **Dr. A. H, Maan, Director General, EW/MINFA**
- b) **Dr. Dick McConnen, Chief of Party, EPA Project**

II. Order of Presentation

A. The Economic Wing Farm Income Model

Mr. Abassi, EW/MINFA

B. Estimating Flood Damages - 1992 Kharif Crop

Mr. Abrar, EW/MINFA

1. Using the Farm Income Model

2. Impact of 1992 Flood on Production Costs:

The Example of Cotton - Mr. Hashmi, EW/EPA Intern

3. The Results

C. Commodity Programs and the 1992 Flood:

The Example of Cotton

Mr. Bhatti, EW/MINFA

D. Estimating the Indirect Costs of Kharif Crop Loss:

The EW Food & Fiber Sector Input/Output Model

Mr. Rao Shafiq, EPA

Using the Farm Income Model to Estimate 1992 Flood Losses

1. The Details of the Model:

- a) Area by damage category**
- b) Yield by damage category**
- c) Production - impact of flood**
- d) Gross Farm Income (GFI)**
- e) Production costs by damage category**
 - 1. Estimating procedure - Mr. Hashmi**
 - 2. The case of cotton - Mr Hashmi**
- f) Commodity price changes none assumed**

2. The Outputs:

- a) Production levels by commodity and by province**
- b) Gross Farm Income (GFI) {Production X Farm Level Prices}**
- c) Net Farm Income (NFI) {GFI - Farm Level Costs}**

3. Special Comments - Sind

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D. Estimating the Total Economic Impacts of 1992 Flood

{The EW's Food & Fiber Input/Output Model}

- 1. What is an Input/Output (I/O) Model?**

- 2. Using the EW's F&F I/O Model to Estimate Flood Damages**
 - a. Direct Loss to Production Agriculture**

 - b. Loss to the Agribusiness Sectors**

 - c. Loss to other Sectors of the Economy of Pakistan**

 - d. Impact on the Household Sector**

 - e. (Direct + Indirect + Induced Loss) of the 1992 Flood**

"Estimates of 1992 Flood Damages"**Focusing on Kharif Crops with Emphasis on Cotton**

The estimates of the impact of the 1992 floods on Kharif crops in terms of production of major crops, Gross Farm Income (GFI), Net Farm Income (NFI) and potentials for foreign exchange earnings from raw cotton exports are shown below.¹ The estimates were generated by using the Economic Wing/MINFA Farm Income Model and estimates of acreage and yield damages were provided by Provincial Governments to MINFA.

Production Losses: The table below shows the estimated production loss for major Kharif crops. For cotton, the largest absolute loss in production occurred in Punjab. However, in percentage terms, 68% of Sindh's cotton crop was lost compared with 9% of the Punjab cotton crop.

Production Losses

Crops	Punjab		Sindh		Pakistan a/	
	Losses	% b/	Losses	% b/	Losses	% b/
Cotton	1.14 Mil.Bales	9.22	0.51 Mil.Bales	67.76	1.65 Mil.Bales	12.58
Rice	0.117 Mil.MT	5.76	0.926 Mil.MT	54.87	1.05 Mil.MT	26.85
S.cane	0.76 Mil.MT	3.89	3.21 Mil.MT	32.53	4.03 Mil.MT	13.27

a/ Includes NWFP

b/ % of 1992 estimated production if no flood.

Income Losses: The table below shows the estimated loss in GFI and NFI caused by the 1992 flood. The impact on NFI is much greater than on GFI because most of the 1992 Kharif production costs had already been incurred by Pakistani farmers. In rupee terms, the greatest estimated loss in both absolute and percentage terms occurred in Sindh. The loss of an estimated 92% of Sindh's NFI has potentially devastating implications for rural

¹ GFI is the farm level value and NFI is GFI minus the cost of inputs excluding family controlled resources (e.g. family labor & owned land) for 1992 Kharif crops.

families of the Sindh. These estimates are so profound that a collaborative effort to review the damage estimates on the part of both the Federal and Sindh governments should be undertaken.

GFI & NFI Losses:

	Punjab		Sindh		Pakistan a/	
	Losses	% b/	Losses	%b/	Losses	% b/
GFI	6.34 Rs. Bil	8.27	9.20 Rs. Bil	51.87	15.65 Rs. Bil	14.17
NFI	5.09 Rs. Bil	15.04	7.44 Rs. Bil	91.93	12.94 Rs. Bil	24.37

a/ Includes NWFP

b/ % of 1992 estimated GFI and NFI with no flood.

Foreign Exchange Losses: In 1991, Pakistan earned Rs. 15.6 billion in foreign exchange from the export of raw cotton. This could drop to as low as Rs. 3.4 billion if 1992 ending stocks were held at the 1991 level of 1.5 million bales. This sharp decline occurs as the result of flood damage to cotton production, an abrupt drop in international cotton prices and an expansion of Pakistan's mill and non mill consumption. The impact on foreign exchange earnings could be mitigated by drawing down ending stocks. However, an excessive reduction in 1992 ending stocks would expose Pakistan's domestic textile industry to the risk of short supplies of raw cotton if the 1993 cotton crop plus 1992 ending stocks fell much below 11 million bales.

Total Economic Losses: The flood damage to 1992 Kharif crops will also have an impact on the rest of Pakistan's economy. With an estimated reduction of GFI by Rs. 15.6 billion, the total reduction in economic activity as the result of the 1992 floods will be about Rs. 25 billion. These additional losses occur because the agribusiness sector and other industries in the economy are strongly influenced by the performance of the agricultural sector.

ANNUAL EPA WORK PLAN

1992 - 93

1.0. INTRODUCTION

The 1992-93 EPA Work Plan represents a significant departure from the 1990-91, 1991-92 and 1991-92 (Revised) Work Plans in terms of its purpose. The previous Work Plans represented a combined effort of the Economic Wing (EW) and the EPA Advisors to develop a single integrated Annual Work Plan (AWP) for both the EW and EPA. The 1992-93 EPA AWP is restricted to planning for the use of EPA resources as the EPA project prepares to close out its activities as scheduled in June, 1993.

The 1991-92 AWP had its origins in an EPA work plan prepared by the EPA Advisors for 1990-91 in consultation with EW Officers. As that original work plan has undergone successive revisions, it has gradually become more of an EW work plan. The 1991-92 AWP was revised in April, 1992 and this version of the work plan still retained a broad outline of some of the activities envisioned to be accomplished over the three year life of the EPA project. As with all the previous AWP's, it also contained some EPA contractual requirements such as EPA quarterly and end of project reports for which the Economic Wing has no responsibility.

The 1991-92 AWP was finalized after an extensive EW/EPA planning retreat held on August 1-3, 1991. A mid-year revision of the 1991/92 AWP (dated April 15, 1992) was developed by the EPA long term advisors in consultation with EW officers and the USAID EPA Project Officer. The planning of the 1992/93 AWP was based on the revised AWP plus an add on to the EPA contract in terms of scope of work, budget and LOE. The background paper and the added scope of work for that add on are reproduced in Appendix A.

The basic decisions for the 1992-93 EPA AWP were finalized at a planning retreat that was held at Bhurban during 8/9/10 October, 1992 and was attended by EPA advisors, the Director General as well as available Directors and Deputy Directors of the EW along with representatives of IFPRI and USAID. The principle conclusions reached at that retreat were the obvious; 1) EPA must begin to prepare for the effective close of its work with the EW and 2) EPA efforts must be concentrated on a limited number of activities in the interest of making effective use of EPA resources. Effective use of EPA resources will be judged on the ability of EPA to contribute to the ability of the EW to a) an analysis routine for alternative MINFA policies and programs in terms of the economic consequences, b) communicate the results of the analysis in such a manner so that the results will be of value to MINFA decision

makers and c) sustain such a routine of analysis and communication after the completion of the EPA project. The following is a lengthy quote from one of the documents used to prepare for the October, 1992 retreat and this quote reflects the general ideas that were used to build the EPA 1992/93 AWP.

"I. EPA Close-out Mission: If EPA is successful, when EPA is closed-out in June, 1993, the Economic Wing (EW) of MINFA will be an **effective** and **sustainable** organization.

A. The EW will be **effective** in terms of both the EPA project and the EW's PC1 if the staff is capable of 1) proposing and evaluating alternative MINFA policies and programs and 2) communicating their conclusions to appropriate MINFA officials so that the information will have a major impact on the MINFA decision making process.

B. The EW will be **sustainable** if the staff is capable of 1) performing in the manner described in A directly above without requiring expatriate advisors and 2) relying on either adequate GOP budgetary support in the immediate future or a bridging support mechanism is in place until such GOP budgetary support is available.

II. Implications for Use of EPA Resources: There are nine months until the scheduled close-out of EPA in June, 1993. The accomplishment of the original SOW for EPA (developing an effective and sustainable EW) has been a slower and more difficult process than originally anticipated and completing the original SOW by June, 1993 presents a major challenge. The challenge has escalated with the recent signing of a Contract Amendment for EPA that has an added SOW and LOE as well as budget support. The Contract Amendment was designed to provide the resources needed to significantly increase the effectiveness of EPA. If EPA is to be completed in an effective manner, the project TA and management resources will have to concentrate on those activities that will directly contribute to the effectiveness and sustainability of the Economic Wing.

III. Assessment of Major EPA Activities: My personal appraisal of EPA's major activities is presented in summary form in

the matrices presented on pages 3, 4 and 5 of this memo. The purpose of developing this memo and the summary evaluative matrices is to provide a basis for discussion, particularly at the EW/EPA retreat planned for October 8, 9 and 10 October, 1992. More items may need to be added to the matrices. It is my hope that we can make definitive decisions about the work in the very near future on which EPA must concentrate between now and the scheduled end of the project in June, 1993. These decisions must then be incorporated into the EW/EPA work plan which pays particular attention to the Activities that will require the concentrated effort of EPA's long term staff as well as expatriate and local TDYs.

IV. A Diagnostic Approach: The evaluation presented in the matrices is bleak - perhaps too pessimistic. I think it is crucial that the EW, MINFA, USAID and EPA work together during the remainder of the life of EPA to demonstrate that the attached assessment is wrong and that by June, 1993, a similar set of matrices can be constructed that demonstrate that indeed the Economic Wing is both effective and sustainable. Some of the actions that would contribute to this kind of an outcome, such as the recruitment of at least one new Director and added EW staff, are already under way. The purpose of this memo is to contribute to the process of diagnosing problems/potentials and then defining the most effective way to use EPA resources to bring about an effective and sustainable Economic Wing.

EPA Support of Selected EW Activities with direct policy relevance:

EPA Activity	Potential Policy Relevance	Present MINFA Relevance	Present MINFA Effectiveness	Present MINFA Sustainability	Comments/ Constraints	EPA Opportunity Cost	EPA Support?
AMS	High	High	Good	Fair	Depends on one person, not fully exploited. Majeed MS thesis on AMS, NPC etc.?	Low	Yes
Farm Income	High	Fair	Fair	Fair	Not exploited & usefulness not understood by MINFA officials. Best <u>team</u> of ROs in EW.	Moderate	Yes
Farm Budgets	High	Poor	Fair	Poor	Used for Farm Inc. & PASM: not fully utilized for policy work. Need to develop trng program on methods for use by DAP & DER.	Significant	Yes
Situation Reports	High	Poor	Fair	Poor/Fair	Not fully exploited & supported by MINFA. Needs leadership & change of approach	Moderate	Yes
Mkt Margins & Mkt Bills	High	Poor	?	Poor	Effective DD, but all of cmpr lit. staff are gone. Restaff or close up.	?	Yes/No
Index Nos. Update	Moderate	Poor	Poor	Poor	Index numbers updated last yr. Potential value high, but Mkt Margin more important.	Moderate	No
I/O Analysis	High/Mod.	Poor	Poor	?	W/ Sabri MS thesis on I/O, he can update each 5 years & use results as needed. Present work wrapped up w/ report by Jan., 1993	Moderate	No (after report)
PASM	High	Poor	Fair	Poor	Maint. cost high & effective use difficult w/out Sr. EW staff involvement. Wrap up report Jan, '93 W/ Nawaz MS thesis on PASM	High	No (after report)
Ag Pol. Rev.	High	Poor	Poor	Poor	No work has be done on Ag Policy Rev as an analytical study. a) If no plan developed - drop. b) If plan developed to enhance effective sustainability - emphasize.	a) Low b) High	a) No b) Yes...

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EPA Support of Selected EW Activities with direct policy relevance:

EPA Activity	Potential Policy Relevance	Present MINFA Relevance	Present MINFA Effectiveness	Present MINFA Sustainability	Comments/ Constraints	EPA Opportunity Cost	EPA Support?
Wheat Policy	High	Poor/High	Poor	?	Reported study planned by EW, but objectives not known. EW data bases not fully in place for such a study. PASM study planned. APT wheat wrap up.	Low	?
Ag Data System (AMIS)	High	High	Good	Fair	Depends on ability to obtain resources needed for maintenance. EPA could update base computer for LAN.	Moderate	Yes (tech support)
AGDAT/PC	High	Poor	Poor	Poor	Will need commitment of DAS staff to provide for sustainability after June, 1993. Could have major impact on future of EW.	Significant	Yes
Ag Statistics	High	High	High	?	No GOP budget to support publication and without strong DAS leadership, may not be able to continue at present quality & regularity.	Significant	Yes
Ag Chart Book	Moderate	Poor	Poor	Poor	No continuing effort - given other pressing needs, no EPA support	Moderate	No
Trade Data Update	Moderate	Poor	Poor	Poor	No continuing effort - given other pressing needs, no EPA support	Moderate	No
Crop Forecast	High	Limited	Limited	?	Forecast model for wheat limited role in MINFA decision making. Unless MINFA use increased, questionable value for EPA	Significant	Yes/No

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EPA Support Activities:

EPA Activity	Potential Policy Relevance	Present MINFA Relevance	Present MINFA Effectiveness	Present MINFA Sustainability	Comments/ Constraints	EPA Opportunity Cost	Retain?
Computer Maintenance	High	Poor	Fair	Poor	Present system would result in high rate of failure of EW computer within one year of completion of EPA. Basic to future effectiveness of EW and must be effective by June, 1993	High	Yes
Computer Training	High	Fair	Fair/Good	Fair	Present level of training reasonable, but sustainability will require better program for new staff & update of present staff. Improvement crucial.	High	Yes
Information Skills of EW staff	High	Poor	Fair	Poor	Effective skills limited to DG and few senior EW staff. Trng program needed to train more to lighten stress on Sr. EW staff & to demonstrate EW capacity.	High	Yes
FAO Follow-On	High	Fair	Poor	Poor	FAO follow-on project would provide crucial bridging support given GOP budget deficits & attitude of Planning and Finance. Must be able to demonstrate effectiveness of EW to doubting Thomas's.	Moderate	Yes (if EW pushes)
Other?							

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