



August 14, 2008

TO: Nancy Hirschhorn, Chief  
Grants Management Branch  
Foreign Agricultural Service

FROM: Larry Sivers  
Director  
International Programs Office

SUBJECT: Proposed Emerging Markets Program FY 2009 Funding of NASS  
International Statistical Cooperation Projects, BRAZIL.

**GENERAL:**

The following proposal requests Emerging Market Program (EMP) funding for the project between the National Agricultural Statistics Service (NASS) and government agencies in Brazil responsible for estimating agricultural production, including the Companhia Nacional de Abastecimento (CONAB), Ministry of Agriculture, and the Instituto Brasileiro de Geografia e Estadísticas (IBGE). The objective of the project is to improve the ability of the Brazilian government to produce accurate and timely statistics on their country's fast-growing agricultural production. This, in turn, provides US producers, agribusinesses, and government policy makers the kind of information that is critical for successful strategic planning.

**BACKGROUND:**

NASS first became involved with CONAB and IBGE in 2003 at the request of the Foreign Agricultural Service, which asked for an evaluation of the Brazilian government's crop statistics program. This evaluation confirmed weaknesses in several areas, including a lack of objective methodology in data collection, redundancy of work by CONAB and IBGE and ensuing issuance of sometimes conflicting data, lack of timeliness of data releases, and general distrust of the data by the data user community. The Brazilian government had recognized some of these same problems, and by the beginning of 2004, had initiated a program called GEOSAFRAS to improve agricultural statistics. GEOSAFRAS is comprised of a group of representatives from the government agencies responsible for crop statistics as well as universities and private research firms. NASS was invited to participate and asked to provide technical assistance in this undertaking.

In the ensuing years, NASS has worked hard to cultivate a positive relationship with colleagues at CONAB, IBGE, and other institutions of GEOSAFRAS as we have sought to improve the accuracy and timeliness of their crop reports. The relationship with CONAB has evolved from one of suspicion and distrust on their part to one of respect and cooperation. We have established that both countries benefit by having

timely, accurate data that is available to everyone which allows markets to perform optimally. They are very interested in US data, and part of the project to date has been educating the Brazilians about the data NASS gathers on US agriculture, and how it is used by farmers, investors, and other government agencies. The reliability, timeliness, and scientific sampling methodology of the NASS statistical programs have had an impact on them, and several major steps have been taken to emulate our programs.

The first of these steps was the decision by CONAB and IBGE to issue joint data releases, eliminating confusion among users. This decision followed closely a meeting of senior staff from CONAB and IBGE, who were in Washington on a study tour, with the Chairman of the World Agricultural Outlook Board (WAOB). When asked by the CONAB representative in charge of crop estimates why the WAOB did not accept the “official” Brazilian estimate in WAOB deliberations, he pointed out that both CONAB and IBGE released “official” numbers which were often different.

Another big step towards improved statistics in Brazil is the establishment of a sampling methodology which will accurately and objectively measure agricultural production at a feasible cost. During our planning meetings in 2007 we had agreed that a pilot survey using NASS’s objective yield methodology would be undertaken. Due to NASS not receiving EMP funding for FY 2008, this was not done. This will require a substantial funding commitment on the part of the Brazilian government to develop the sampling frame. We were looking at the feasibility of using data from the recently completed census of agriculture to serve as a basis for the proposed survey.

The project has also yielded other benefits to USDA, specifically in the area of improved information available to the WAOB. Trips by USDA staff to Brazil, and by Brazilian personnel to the US, have opened lines of communication between our governments not previously available. WAOB meteorologists now have access to additional weather information to help them in their analysis of crop conditions in Brazil. Oilseed analysts now have contacts within CONAB with whom they can communicate directly if they have questions on Brazilian soybeans. The project has also served to improve the relationship between FAS Brazil and CONAB and IBGE, as the Consulate and Embassy have been key players in the success of the project to date.

Despite not receiving funding for FY 2008, NASS has sought to keep the project collaboration alive by maintaining communications with Brazilian counterparts. We used some discretionary funding available to sponsor IBGE and CONAB participation at the 4<sup>th</sup> International Conference on Agricultural Statistics, held in Beijing, China in October 2007. We will also be hosting a group of Cochran Fellows for a study tour on citrus statistics, as well as a self-financed group from coffee cooperatives interested in NASS techniques and USDA programs.

**PROPOSAL FOR AGRICULTURE INFORMATION SYSTEM TECHNICAL ASSISTANCE AND TRAINING PROJECT IN BRAZIL**

Proposal Date: August 14, 2008

The project is proposed by: National Agricultural Statistics Service,  
United States Department of Agriculture  
Washington D.C. 20250-2013

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**I. PROPOSAL DESCRIPTION.**

Brazil Statistics Improvement Project (FY2009): This project proposal would provide funding to continue work on developing and implementing improvements in the capability of the Brazilian government to develop accurate and timely statistics for their agriculture and in continuing to foster the free flow of such information for use by US markets and producers. This type of collaboration is viewed by FAS/Brazil as critical to the further development of a positive bilateral relationship in agriculture.

**II. RATIONALE.**

The availability of unbiased and timely data is necessary for efficient functioning of agriculture markets. Agricultural statistics must be timely and accurate to be used effectively. The government and private sector need improved data and information to make informed decisions related to the agricultural sector.

EMP funding was provided for the initial two years of this project. The importance of good (timely, accurate, reliable) data on Brazilian agriculture continues to grow as Brazil produces an ever larger percentage of the world's agriculture. For US farmers to remain competitive, and for the US Government to enact effective farm policies, it is crucial that good information is available in the decision-making processes. There can be no more cost-effective means of obtaining good information on Brazilian agriculture than maintaining open communication between the agricultural statistics agencies and

USDA involvement in the statistical methodology used by Brazilian agencies to collect their data.

### **III. PROJECT PARTICIPANT IDENTIFICATION.**

This project would work extensively with the Companhia Nacional de Abastecimento (CONAB), Ministry of Agriculture, and the Instituto Brasileiro de Geografia e Estadísticas (IBGE). In addition to these two federal agencies, several state institutions and universities are also involved in the GEOSAFRAS program, established to improve Brazilian agricultural statistics.

#### **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 improvement of the agricultural statistics systems is for training and technical assistance. The proportion of salary and travel money has been estimated from actual expenditures during the previous years of the project.

This support will be for NASS experts’ travel to Brazil to work with counterparts and travel costs for Brazilian counterparts to come to the US, with costs reimbursed at US 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. The requested amount below reflects the equivalent of 8 TDYs/yr (10 days each) to Brazil by NASS staff, and 10 visits (10 days each) to US by Brazilian counterparts.

## **NEEDS:**

<b>ITEM</b>	<b>Amount (\$000)</b>
Salaries	65
Travel	80
Misc.	5
<b>Total</b>	<b>150</b>

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, translation services, data collection and processing cost will be provided by the Brazilian agencies.

## **V. IMPLEMENTATION.**

The following activities will be undertaken:

- Training on uses of area sampling frames, list sampling frames, and multiple frames for conduct of sample surveys of farm operators for agricultural surveys.
- Exploring ways to use the information from the 2007 Census of Agriculture in creating sampling frames for ongoing surveys.
- Assistance with the establishment of a pilot survey using objective yield measurement methodology.
- Continue support for the improvement of agricultural information exchange between US and Brazilian governments particularly as it relates to providing the World Agricultural Outlook Board (WAOB) better information on which to base its world production estimates.
- In addition to technical assistance to the collaborative institutions in Brazil, training seminars in-country on various aspects of the statistics system, as well as study tours in the United States with NASS, would be undertaken.

## **VI. KEY CONTACTS.**

NASS management of the project would be under the guidance of Larry Sivers, Director, International Programs, NASS. In-country contacts are Silvio Porto, Director of Logistics and Development- Companhia Nacional de Abastecimento (CONAB); Flavio Bolliger, Coordinator of Agricultural Surveys- Instituto Brasileiro de Geografia e Estadísticas (IBGE); Morgan Perkins, Director, Agricultural Trade Office, U.S. Consulate General, Sao Pao, Brazil.