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FAO WORK ON CLASSIFICATIONS INTERNATIONAL PRODUCT CLASSIFICATIONS FOR AGRICULTURAL STATISTICS: BRIEF REPORT OF THE **ACTIVITIES 2012-2013**

SUMMARY

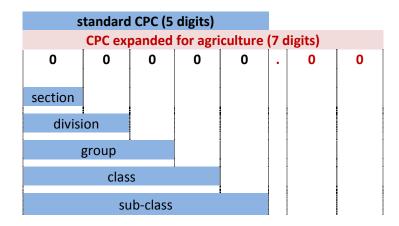
The document provides a brief report on the update of the Central Product Classification of the UN (CPC) Ver.2.1, the implementation in FAO of the CPC expanded for agriculture, and the review of the Harmonized Commodity Description and Coding System (HS). Other activities undertaken by the Statistics Division in the framework of agriculture commodity classifications are also described, including the results of the global survey on national classifications for agriculture and food products and the development of the guidelines on classifications for agricultural statistics under the Global Strategy to Improve Agricultural and Rural Statistics. Contribution and advice from the member countries is sought at the end of the note.

Central Product Classification of the United Nations (CPC)

FAO has been participating in the review of CPC since 2005¹. In 2011, the FAO Statistics Division (ESS), in cooperation with the Fisheries and Aquaculture Department and the Forestry Department, has developed a comprehensive proposal for the review of CPC Ver.2.1 and a supplementary list of codes for agriculture. This structure, called CPC "expanded for agricultural statistics", has been designed adding detail at the lower level of the standard CPC at five digits (figure below).

¹ CPC Ver.2.0 (review process: 2005-2008) and CPC Ver.2.1 (review process: 2011 – ongoing); the current version, CPC Ver.2.0, is available on UNSD website (http://unstats.un.org/unsd/cr/registry/cpc-2.asp).

Structure of the CPC code expanded for agricultural statistics



Given the progress made for the integration of agricultural products in CPC, and the increased harmonization between CPC and the Harmonized System 2012 (HS), decision has been taken in FAO to implement the CPC expanded for agriculture as the central classification for agricultural products². By implementing a common global classification backed up with common and standardized item names, titles, definitions, descriptions and data groups, FAO aims at decreasing the reporting burden for countries, facilitating and enhancing the comparability of statistical data over time and across countries and the harmonization of official statistics at the global level. Furthermore, CPC provides a flexible tool not only for FAO but also for countries that will have the possibility to increase granularity including local species and varieties at the lower level, while maintaining comparability across countries at the higher level.

The preliminary FAO proposal and expansion for agriculture have been endorsed by the UN Statistics Division (UNSD) and the Expert Group on International Classifications (EG) in 2011. Since then, the proposal has been revised and improved, at the moment it is under review by the CPC Technical Subgroup. The preliminary CPC Ver.2.1 structure was submitted to the 44th Session of the UN Statistical Commission in February 2013³ and the final version is expected to enter into force in the course of 2014, in English first and then translated into all UN official languages.

In terms of use in FAO, CPC has been added in the agriculture production questionnaire along with the FAOSTAT commodity list (FCL); the implementation of CPC expanded for agriculture is under testing in the FAOSTAT working system for crops, livestock and derived products.

During its meeting in May 2013, the EG congratulated FAO for the contribution provided to the improvement of CPC for agriculture, fishery and forestry. Particular attention was paid by the EG on the implementation of the CPC expanded for agriculture in FAO: the CPC expanded was indicated as a best practice and an example to be followed by other specialized Organizations.

Harmonized Commodity Description and Coding System (HS)

The current HS version entered into force the 1st January 2012⁴. HS 2012 includes more than 300 new agriculture and fishery items, such amendments have made this version of HS more suitable and useful to agriculture and fishery statistics, and established solid correspondences and harmonization with CPC.

The FAO proposal for the review of HS 2017 has been submitted to the WCO in March 2012. The document includes proposed amendments for agriculture, fishery and forestry products, fertilizers and agricultural machinery.

² Including crops, livestock and derived products but not including fishery and forestry.

³ http://unstats.un.org/unsd/statcom/doc13/BG-CPC-Version21.pdf.

⁴ The HS 2012 structure is available on the website of the World Customs Organization in English http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs nomenclature 2012/hs nomenclature/instrument-and-tools/hs nomenclature 2012/hs nomenclature table 2012.aspx.

Consultations within and outside FAO have been conducted in order to verify to what extent HS 2012 detail was suitable for the Organization's purposes. Inputs from different technical units have been collated, and items for proposed amendments have been carefully selected according to their importance, both in terms of global trade value⁵ and the number of countries involved with transactions. Particular attention has been placed on commodities strategic to the monitoring of food security, endangered species or stocks in need, and conservation agriculture practices. The proposal resulted in a comprehensive document and comprised the presentation of the proposed amendments along with the rationale of the proposal, data on trade, production and prices, information on the use of the products, and their descriptions and identification criteria.

The document has been discussed at the 43rd, 44th and 45th sessions of the HS Review Sub-Committee (RSC) and at the 42nd session of the HS Committee. Discussion will continue at the 46th session of the RSC in November 2013. The summary of the FAO proposal for HS 2017 is described in Appendix 1 to this document.

Survey on National Classifications for Agriculture and Food Products

A survey on national classifications for agriculture and food products has been conducted in order to assess what are the product classifications used by countries for agriculture and food products and to what extent international standards, and in particular CPC, are implemented. The aim of the survey is also to understand how classifications are managed and to identify country needs on technical assistance and capacity development in this domain. Along with the questionnaire filled-out, countries are kindly asked to provide contacts of classification focal points and to transmit supporting documentation e.g. the classification codes, titles, definitions, correspondence tables etc.

The dissemination of the questionnaire has been conducted in the course of 2012 and follow up actions with non respondent countries have been undertaken in 2013. Over this period time, 196 countries have been contacted, of which 53 in Africa. So far, respondent countries are 102 (54% global response rate), of which 20 in Africa (38% regional response rate, lower than the global rate). Classifications reported by all respondent countries are 134, of which 70% are coherent with CPC or with other international standards aligned with CPC. Feedback from African countries is consistent with these results (65%).

Cooperation from the AFCAS member countries would be desirable in order to increase information sharing on classifications used at country level for agriculture statistics⁶.

⁵ A threshold of USD 50 million of annual trade value for new subheadings and USD 100 for new headings, is set by the World Customs Organization (exceptions to this rule have been done by the WCO member states in HS 2012 for agriculture and food items of high social or environmental importance, and particularly on products critical for food security, developing countries and their economies).

⁶ The online questionnaire is available in English at www.surveymonkey.com/s/faoclassifications, in French at www.surveymonkey.com/s/faoclassifications-fr and in Portuguese at www.surveymonkey.com/s/Classificacoes. The questionnaire is also available in word in all languages on ESS website at www.fao.org/economic/ess/ess-standards/en/ (please send back to www.fao.org/economic/ess/ess/ess-standards/en/ (please send back to <a hre

African countries involved in the survey

Respondent countries (20 out of 53):			
Country	Classifications reported	Country	Classifications reported
Angola	n/a	Mauritius	CPC
Burkina Faso	FAOSTAT	Morocco	national classification
Cameroon	FAOSTAT	Rwanda	CPC, ISIC
Egypt	CPC, ISIC	Senegal	NOPEMA
Ethiopia	consistent with CPC	Seychelles	HS
Ghana	HS	Sierra Leone	n/a
Kenya	CPC, HS, ISIC	South Africa	CPC
Lesotho	consistent with FAOSTAT and ISIC	Togo	consistent with FAOSTAT
Mali	NOPEMA	Tunisia	consistent with NOPEMA
Malawi	CPC, HS, ISIC	Zimbabwe	national classification

Non respondent countries:

Algeria, Benin, Botswana, Burundi, Cape Verde, the Central African Republic, Chad, the Comoros, the Congo, Côte d'Ivoire, the Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Gabon, the Gambia, Guinea, Guinea-Bissau, Liberia, Libya, Madagascar, Mauritania, Mozambique, Namibia, the Niger, Nigeria, Sao Tome and Principe, Somalia, the Sudan, Swaziland, Uganda, the United Republic of Tanzania, Zambia

note1: short names of countries follow FAO NOCS rules (http://termportal.fao.org/faonocs/appl/)
note2: ISIC is the "International Standard Industrial Classification of All Economic Activities", NOPEMA is the "Nomenclature de Produits des Etats Membres d'Afristat"

The Database on Commodity Classifications

A database on classifications has been design made available online⁷ to facilitate countries and other users in their search in the FAOSTAT commodity list definitions and correspondences to CPC and HS. It includes search functions by codes and keywords and allows users to easily search and visualize correspondences between the FCL, CPC and HS. The database also contains links to some agriculture product lists used at country level. At this stage information on national classifications covers Sub-Saharan Africa exclusively, as provided by the CountrySTAT project, but it should be extend to potentially all countries in future. At the moment, the database is available in English only; French and Spanish translations are underway.

Guidelines on Classifications for Agricultural Statistics

The FAO approach to classifications has evolved over the past few years from a "static" approach to a "participative" approach where contributions from countries have become critical in the maintenance of classifications used by ESS. More generally, consultation with countries is an essential mechanism for ensuring the relevance, uptake and update of international classifications. Therfore, the development of guidelines on classifications for agricultural statistics has been planned for 2014 under the Global Strategy to Improve Agricultural and Rural Statistics. The guidelines will act as a facilitator of such a consultation. On the other hand, this publication will provide a useful aid to countries planning to adopt and adapt international classifications to their statistical system.

www.fao.org/economic/ess/ess-standards/commodity/en/.

FAO REMARKS AND INVITATIONS TO THE AFCAS MEMBER COUNTRIES

- Encourage member countries to adopt international standard classifications in national systems as a tool to facilitate international comparison of data and confirm commitment to provide assistance to this process.
- Recommend member countries to report information to FAO on agriculture and food product classifications used for data collection and dissemination and invite them to participate in the survey on national classifications:

the online questionnaire is available

- in English at www.surveymonkey.com/s/faoclassifications
- □ in French at <u>www.surveymonkey.com/s/faoclassifications-fr</u>
- □ in Portuguese at <u>www.surveymonkey.com/s/Classificacoes</u>
 - the questionnaire is also available
- in word in all languages on ESS website, at www.fao.org/economic/ess/ess-standards/en/ (please send back to Valentina.Ramaschiello@fao.org)
- Acknowledge the strong role assumed by Regional Organizations (ROs) in data collection from member countries and affirm the need to strengthen partnerships on statistical classifications with ROs in Africa in the near future.
- Seek advice in the development of future work in the area of classifications for agricultural statistics, and collaboration in the domain classifications.

Questions, inputs and contributions can be can be sent by e-mail to Ms. Valentina Ramaschiello, ESS (Valentina.Ramaschiello@fao.org).

Appendix 1

Summary of the FAO proposal for HS 2017

Agricultural products

- To increase detail on mandarins, clementines, and other similar fresh or dried citrus hybrids.
- To move teff from "Millet" (1008.2) to "Other cereals" (1008.90) as indicated by the Central Statistical Agency (CSA) of Ethiopia.

Fishery products

- To expand the coverage of the Carp species included in HS 2012.
- To enlarge the coverage of pelagic species other than tunas included in subheadings 0302.4 and 0303.5.
- To insert shark fins and fish heads, tails, maws and other edible fish offal in frozen form, with a major emphasis on shark fins, and to introduce shark fins in prepared and preserved form.
- To insert fresh and frozen fillets and other meat of dogfish, other sharks, rays and skates (Rajidae).
- To enlarge the breakdown of dried fish, adding three groups of species.
- To split present code 0305.71 for shark fins in dried, salted or in brine or smoked form, adding the specification for four shark species.
- To separate "not frozen" product forms for crustaceans and of "other" product forms for molluscs and other aquatic invertebrates.
- To have separate subheadings for crustaceans, molluscs and other aquatic invertebrates for ornamental purposes.
- To extend the coverage of cuttlefishes and squids.
- To add Stromboid conchs to 0307.8
- To have separate subheadings for live aquatic plants, including seaweeds and algae.

Forestry products

- To expand the coverage of tropical wood species included in subheadings 4403.41-.49, 4407.21-.29, 4408.31-.39 and 4412.31 according to a revised list of tropical wood species developed by FAO and ITTO.
- To add detail on coniferous and non coniferous to "Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms" (4401.1).
- To separate "Sawdust and wood waste and scrap, not agglomerated" from "Wood pellets" and "Other" (4401.3).
- To increase detail on coniferous and non-coniferous species under "Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared Treated with paint, stains, creosote or other preservatives" (4403.10).
- To increase detail on coniferous species for "Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared" (4403.2).
- To increase detail on non-coniferous species for "Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared" (4403.9).
- To increase detail on coniferous and non-coniferous for "Railway or tramway sleepers (cross ties) of wood" (4406.1 and 4406.9).
- To increase detail on coniferous species for "Wood sawn or chipped lengthwise [...]" (4407.1).
- To increase detail on non-coniferous species for "Wood sawn or chipped lengthwise [...]" (4407.9).
- To increase detail on tropical wood species for "Wood continuously shaped [...]" (4409.2).
- To increase detail on non-coniferous plywood under 4412.3.
- To increase detail on prefabricated buildings made of wood under 9406.

Fertilizers and Agricultural Machinery

- To create two new sub-headings for superphosphate, according to different diphosphorus pentaoxide (P_2O_5) concentrations (above or below 35% by weight).
- To create a new heading for agricultural and horticultural sprayers (8424.4), separating at subheading level "operator carried sprayers" from "tractor mounted, trailer-mounted and self-propelled sprayers" (8424).
- To increase detail on "no-till direct seeders, planters and transplanters" vs. "other seeders, planters and transplanters" (8432.3).
- To increase detail on manure spreaders and fertilizer distributors (8432.4).
- To update terminology used for "Pedestrian controlled tractors", "Track-laying tractors" and "Other" replacing these terms with "Single-axle tractors", "Crawlers", "Double-axle tractors" (8701.10, .30, .90).
- To increase detail on engine power rate for double axles tractors (8701.9).

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