Assessment on the availability of Agro food industry data on the annual

Manufacturing industry survey of Ethiopia

Presented in the FAO- UNIDO expert group meeting
on Agro-industrial Measurement,
23-24 November 2015,Rome,Italy

by
AMARE LEGESSE REDA
Central Statistical Agency Of
Ethiopia

Outline

- Introduction

- Objective

- Statement of the problem.

- Country experience in Agro food value chain.

- Key features of the national Agro industry.

- How is industry defined?

- Suggested definition for Agro- industry

- The key data sources, measurement issues and challenges.

Introduction

The Ethiopian government is committed to accelerate the country's socio-economic and political development in order to achieve a primary level middle income economic development stage by the year 2025. To realize this commitment the government set the second five years growth and transformation plan (GTP) (2016-2020) which is aligned with the SDG's. To measure the progress of the GTP reliable and timely statistical data are required.

Hence, the collections of reliable, timely and accessible data are the main task of current statistical development. In this respect the Central Statistical Agency of Ethiopia has made significant progress in furnishing the required statistical data for the first growth and transformation plan (2011-2015) and will do the same for the second one. The CSA accomplish it mission by undertaking Census and several socio-economic surveys among which the Annual Agricultural Sample survey and the manufacturing industry surveys are the main source of data.

In the Annual Agricultural Sample survey the CSA of Ethiopia collects data on:-

1. Crop production and crop area estimates for the land owned by small farm

   holders (Households)

2. Livestock

3. Large and medium scale commercial farms.

In the manufacturing industry survey the CSA collects:-

1. Large and medium Scale Manufacturing industry data.

2. Small Scale Manufacturing industry data,

Objective of this paper

To present options to gain international standard concepts and clear cut definition of Agro food industry or Agro – industry from the Agro –industry measurement project.

Stetment of the problem

Difficulties encountered to provide statistical data on Agro food industry or Agro industry in general to policy makers, researchers, and stakeholders, Due to lack clear cut definitions.

Definition of Agro-industry from literature reviewed :-

1. It is the industry that deals with the supply processing and distribution of farm products.
2. Agro- industry ;-farming considered a business the part of the economy relating to farming, manufacturers of farm equipment and importers and exporters of farm production
3. Agro-industrial of or pertaining to combined use of agricultural and industrial processes or methods as in the production of food, chemical and fertilizers
4. Agro-industry Definition:- The large-scale production processing and packaging of food using modern equipment and methods
5. The agricultural activity of an area viewed as an industrial sector of the economy
6. Agro-industry :- industry connected with agriculture

Country experience in Agro-Food Value Chain

1. How do countries measure the Agro-Food and or the Agro industry Value chain?

There is no national definition on Agro-food and Agro- industry. If and when the need for such definitions arises, a national definition can be arrived at by the consensus of stakeholders of the issue. However, all national statistical offices measure the performance of **Manufacturing Industries** by collecting data on the **value** and **volume** of their **products** and **inputs**. Manufacturing industries are classified (grouped) by product type according to the **International Standard Industrial Classification (ISIC)** Revision 4 such as Manufacture of Food Products, Manufacture of Beverages, Manufacture of Textile, Manufacture of Chemicals, Manufacture of Wood, Manufacture of Basic Metal, etc.

If the concept value chain happens to have different meaning other than value and volume of products and inputs, it has to be restated.

From some literature, I observed the Agro industry value chain to be

- Availability of quality agricultural products as row materials.
- Adequate and necessary trained manpower.
- Land or working place
- Availability of road and infrastructure.
- Sufficient foreign currency.
- Fast and efficient beurocracy (good governance)
- Access of electrification for urban and rural areas.
- Access to new market or linkage to market for value-added products.

2. Some key features of the national Agro-Industry

If by agro-industry we mean manufacturing industry, the key features of the national (Ethiopia's) manufacturing industry are:

- More than 40% of the manufacturing industries are located in Addis.

- More than 31% of the manufacturing industries fell in the category of Food and Beverages.

- Well over 175,000 persons were engaged in the manufacturing industries.

- More than 38% of these persons engaged were reported to be in the Food and Beverages Industry Group.

- Almost 33% of the value added to the national accounts by manufacturing industries was contributed by Food and Beverages Industry.

- Some tables that can discuss about the data of manufacturing industries Specially **Agro food Processing Manuf. And Agro Industry** are described as follows:

Table 1. VALUE ADDED IN THE NATIONAL ACCOUNT CONCEPT (AT BASIC PRICE) BY INDUSTRIAL GROUP - PUBLIC AND PRIVATE

(IN '000 BIRR)

| INDUSTRIAL GROUP	VALUE ADDED IN THE NATIONAL ACCOUNT CONCEPT (AT BASIC PRICE)				
	2010	2011	2012	2013	2014
FOOD PRODUCTS & BEVERAGES	3,973,983	7,945,743	5,570,603	8,241,229	12,166,128
TOBACCO PRODUCTS		223,677	223,677	364,270	364,270
TEXTILES	711,202	224,079	87,850	396,256	106,720
WEARING APPAREL	192,685	213,154	295,384		517,895
TANNING & DRESSING OF LEATHER; FOOTWEAR, LUGGAGE & HANDBAGS	265,838	1,130,304	1,065,139	2,227,104	2,417,610
PRODUCTS WOOD & CORK	7,618	118,817	7,612	61,432	29,139
TOTAL	11,369,562	14,723,186	17,161,007	25,179,723	32,093,308
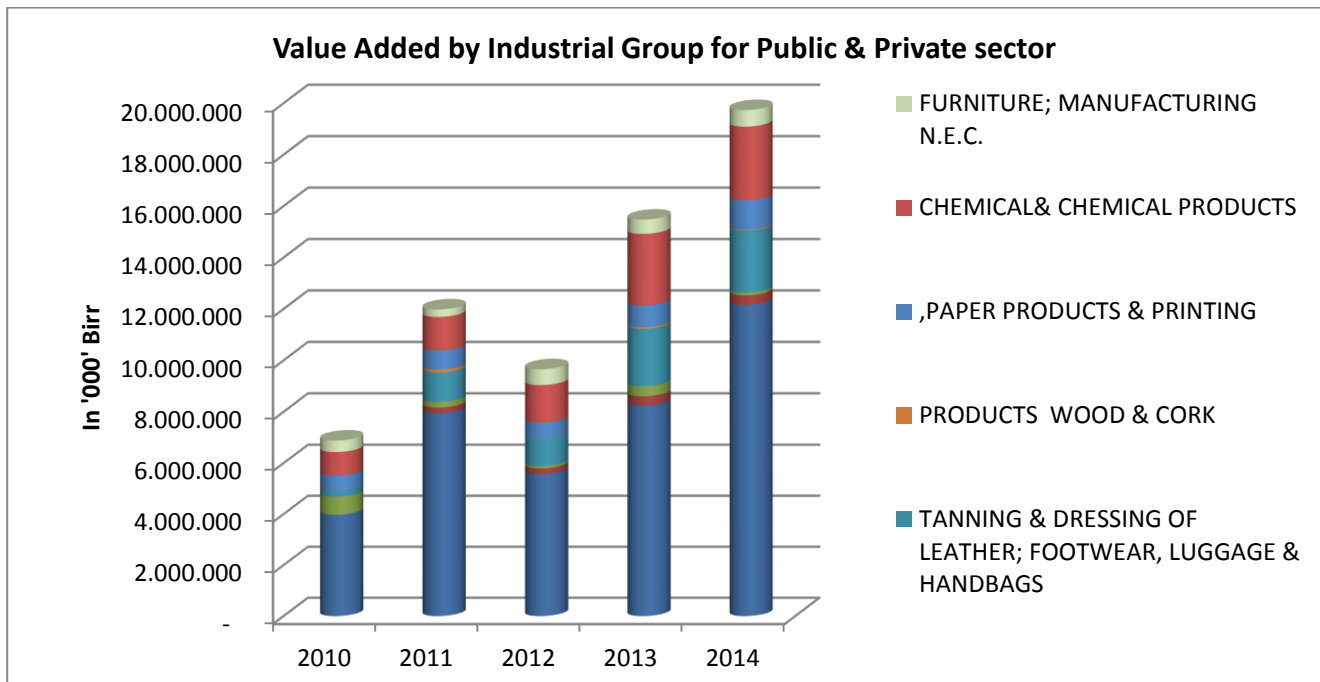
Figure 1. Value Added by Industrial Group for Public & Private sector

Table 2. NUMBER OF ESTABLISHEMENTS BY INDUSTRIAL GROUP - PUBLIC AND PRIVATE

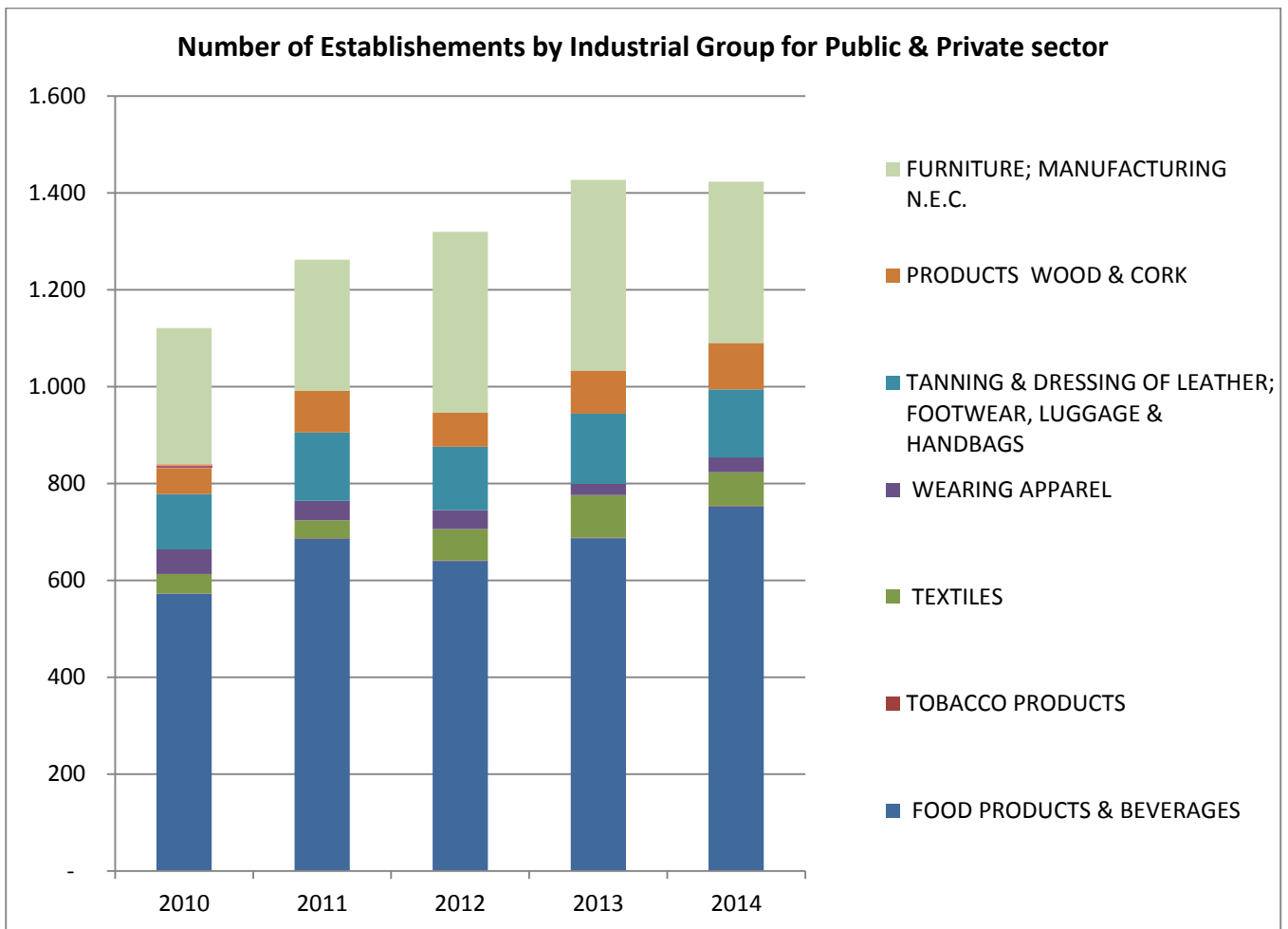| INDUSTRIAL GROUP	NUMBER OF ESTABLISHMENTS				
	2010	2011	2012	2013	2014
FOOD PRODUCTS & BEVERAGES	572	686	640	687	753
TOBACCO PRODUCTS	1	1	1	1	1
TEXTILES	40	37	65	88	69
WEARING APPAREL	51	40	39	23	31
TANNING & DRESSING OF LEATHER; FOOTWEAR, LUGGAGE & HANDBAGS	114	141	131	145	140
PRODUCTS WOOD & CORK	54	86	70	89	96
FURNITURE; MANUFACTURING N.E.C.	281	271	374	394	333
TOTAL	1,113	1,262	1,320	1,427	1,423

Figure 2. Number of Establishments by Industrial Group for Public & Private sector

Table 3. NUMBER OF EMPLOYEES BY INDUSTRIAL GROUP - PUBLIC AND PRIVATE

INDUSTRIAL GROUP	NUMBER OF EMPLOYEES				
	2010	2011	2012	2013	2014
FOOD PRODUCTS & BEVERAGES	60,110	67,072	54,492	52,441	55,970
TOBACCO PRODUCTS	986	1,342	1,342	431	431
TEXTILES	21,382	13,431	32,595	34,483	56,386
WEARING APPAREL	9,342	5,802	11,669	8,016	6,746
TANNING & DRESSING OF LEATHER; FOOTWEAR, LUGGAGE & HANDBAGS	10,707	14,019	15,126	18,311	18,690
PRODUCTS WOOD & CORK	3,261	3,988	4,055	5,577	3,189
,PAPER PRODUCTS & PRINTING	9,998	10,076	9,013	9,720	13,245
FURNITURE; MANUFACTURING N.E.C.	8,251	6,471	8,342	10,235	8,797
TOTAL	124,037	122,201	136,634	139,214	163,454

Figure 3:- Number of Employees by industrial Group for public and privet sector
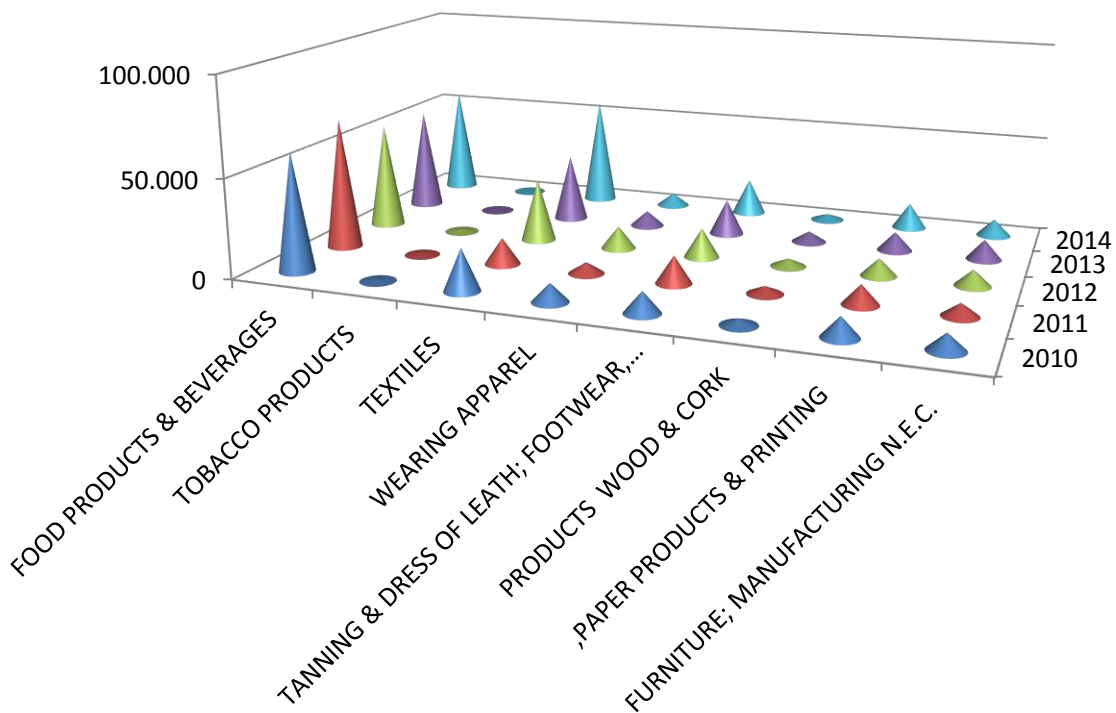
3. How is industry defined?

If by industry again we mean manufacturing industry, It is defined as follows.

Manufacturing Industry for the purpose of manufacturing surveys, according to **International Standard Industrial Classification (ISIC Revision-4) of the United Nations Statistical commission**, is defined here as "the physical or chemical transformation of materials or components into new products, whether the work is performed by power-driven machines or by hand, whether it is done in a factory or in the worker's home, and whether the products are sold at wholesale or retail. The assembly of the component parts of manufactured products is also considered as a manufacturing activity." The Central Statistical Agency strictly uses this definition in order to cover the entire manufacturing sector and collect the required data.

" Industries are classified on the bases of source of row material. There are two types of industries. Agro based and mineral based industries. Agro based industries are the one that produce Jute, cotton silk tea, coffee, rubber etc."

From these two concepts, I can say Agro food industry is a sub set of the manufacturing industry,

Suggested definition for Agro industry

 Post agricultural production or post harvest activities of processing (creation of physical or chemical change) using power driven machine.

4. The key data sources, measurement issues and challenges?

The key data sources are the manufacturing establishments themselves. The data is obtained through census and sample surveys. The data are elicited by interviewing the managers of the establishments in-scope. On the average an enumerator is assigned to 8 manufacturing establishments.

If measurement issues are meant to be measurement units, the units used for collecting data on volume are standard units like the metric units such as **ton**, **quintal**, **KG**, **Square meter**, etc. The unit used for collecting data on value is the Ethiopian **Birr.**

 The challenges encountered while collecting data are:

- The respondents (establishments under study) do not give the exact data

- Respondent fatigues because the establishments are surveyed quarterly and annually.

- Refusals

- Lack of awareness on the part of the establishments about the importance of statistics and giving the exact data.

- Omissions of manufacturing establishments as they hesitate to register with the relevant authorities.

Thank you for your attention

Visit the central Statistical Agency of Ethiopia at

WWW.csa.gov.et