



## Department of Agriculture

### **BACKGROUND TO THE ESTABLISHMENT OF THE AGRICULTURAL ECONOMICS STANDING COMMITTEE (AESC)**

#### **1. INTRODUCTION**

The initial ITCA structures made provision for an Economics, Marketing and Cooperatives Working Group, which served as a liaison platform between national and provincial departments on agricultural economics matters. With the rationalization of the ITCA working groups, the economics working group was dissolved and this created a void in proper inter-governmental liaison on matters relating to this important discipline of agriculture.

The involvement of provincial departments of agriculture in the Agricultural Trade Forum solved this problem as far as agricultural trade matters are concerned. For non-trade economics matters the lack of regular constructive engagement still persisted. At a meeting of ITCA (31 January 2002, Item 7.2) a proposal was tabled that a government economist forum should be created to formalize information sharing, policy coordination and programme implementation.

The terms of reference for the Agricultural Economics Standing Committee (AESC) are to provide a formal platform for communication, coordination, cooperation and information sharing for the National Department (DoA), Provincial Departments (PDAs), the Landbank, the National Agricultural Marketing Council (NAMC) and the Agricultural Research Council (ARC) with regard to:

### Agricultural Economics Surveys and Statistics

1. Identifying and evaluating the information needs of the agricultural public sector.
2. Identifying, facilitating and co-ordinating access to appropriate data sources.
3. Establishing and maintaining norms and standards for the handling of statistical information.
4. Making recommendations on survey and statistics systems and strategies.
5. Facilitating the training and empowerment of agricultural surveyors and statisticians.

### Agricultural Economics Research and Analysis

1. Establish or secure access to appropriate research and analytical tools. (e.g. PROVIDE).
2. Establish standardised methodologies for identified economic analysis to ensure integration and compatibility of results (e.g. COMBUD and FINREC).
3. Co-ordinate economic investigations where cross-cutting institutional participation is necessary.
4. Making recommendations on research and analysis to government and industry.
5. Facilitating the acquisition and growth of research and analytical skills within the country.

### Agricultural Marketing

1. Establish and monitor the implementation of agricultural marketing norms and standards for the establishment of agricultural marketing logistics, agricultural marketing training and the dissemination of agricultural marketing information.
2. Facilitate the promotion and strengthening of agricultural marketing functions at national and provincial levels.
3. Facilitate the development and implementation of strategies to enhance equitable access to mainstream agricultural markets.

4. To act as a platform for the articulation of agricultural marketing policy as well as co-ordination and implementation of marketing strategies.

Additionally the forum will strive to:

1. Establish and coordinate a research agenda for agricultural economics in the public sector.
2. Create a platform for the discussion of agricultural economic issues, policies and strategies.
3. Implement suitable skills enhancement and exchange programmes for functionaries.
4. Harmonise and coordinate government action in response to common challenges and constraints.
5. Facilitate the discussion and adoption of national positions on agricultural economic issues.

## **2. ISSUES FOR CONSIDERATION**

The primary participants in the AESC will be at the level of the heads of the agricultural economics, statistics and marketing units of the different ITCA member organisations to ensure the most knowledgeable possible participation as well as the requisite authority to adopt motions. Each organisation will also be expected to nominate a secondary member of suitable seniority and skill to the forum to ensure continuity of participation.

The National Department will be represented by the heads of the agricultural economics; agricultural statistics as well as marketing directorates. Active participation will be sought from heads of Farmer Settlement and the Food Security units of the DoA as and when the need arises, because of their large bearing on the economics of the sector.

The Chief Economist (ADG:ERA) of the National Department will be the *ex-officio* chairperson of the AESC, and will also be responsible for the provision of secretarial services to the forum. The chairperson will at the instigation of members, or whenever deemed necessary, invite suitable resourced departments or organisations to add value to the proceedings of the standing committee.

## **2.1 ECONOMIC IMPACT**

Without a coordinating and cooperation mechanism such as the standing committee, the agricultural public sector would have different views and adopt different strategies to deal with the needs and problems of the industry. Not only would this result in wasteful duplication, but also these separate efforts often cancel each other out.

The aim of the standing committee is to minimise these ills, while also consolidating all the state's agro-economic capacity towards effective and efficient provision of this critical services.

## **2.2 SOCIAL IMPACT**

Economics is a social science, the better it is practised the more prosperous the society becomes. The coordinated approach of the forum will certainly improve on the practice.

## **2.3 IMPLEMENTATION STRATEGY**

The AESC will have a scheduled meeting once in every quarter of the financial year, with the primary meeting following on the national and agricultural budget speeches. Members will also have the opportunity to call for unscheduled meetings through the chairperson to attend to urgent and unforeseen issues such as the present low prices of field crops.

The venue of the meetings of the standing committee will rotate in accordance with the spatial location of its members to share the costs and inconvenience, to expose members to different scenarios, to encourage interaction with clients in different areas and to promote inter-personal relations among public sector economists and statisticians.

Once every quarter the chairperson of the working group will report to ITCA on the issues of focus as well as the outcome of previous quarterly activities. All members of the standing committee will, however, remain responsible for reporting back to their own organisations. The AESC will determine its own meeting procedures. At least a formal agenda and minutes for each meeting must document proceedings.

### **3. FINANCIAL IMPLICATIONS**

As is the case with other ITCA cooperative ventures, it is expected that each member organisation will bear its own travelling and subsistence costs in return for the services it receives from meetings of the forum.

Funding of research and other projects will be negotiated as and when they arise. The DoA has a budget for this purpose and will also facilitate the standing committee's access to donor and other funding. Notwithstanding this, other members will be encouraged to keep a dedicated budget towards this critical function. The standing committee will input into the budget process to ensure that expected expenditures in this discipline are adequately provided for.