



# Benchmarking the Business of Agriculture

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# Benchmarking the Business of Agriculture

## Background

**Increasing food prices** and expanding urban demand have heightened food security and agriculture as priorities for development

**World Bank's Spring Meetings in 2012** solidified support for agribusiness indicators

**G8 called** for the World Bank "to develop options for generating a Doing Business in Agriculture Index"

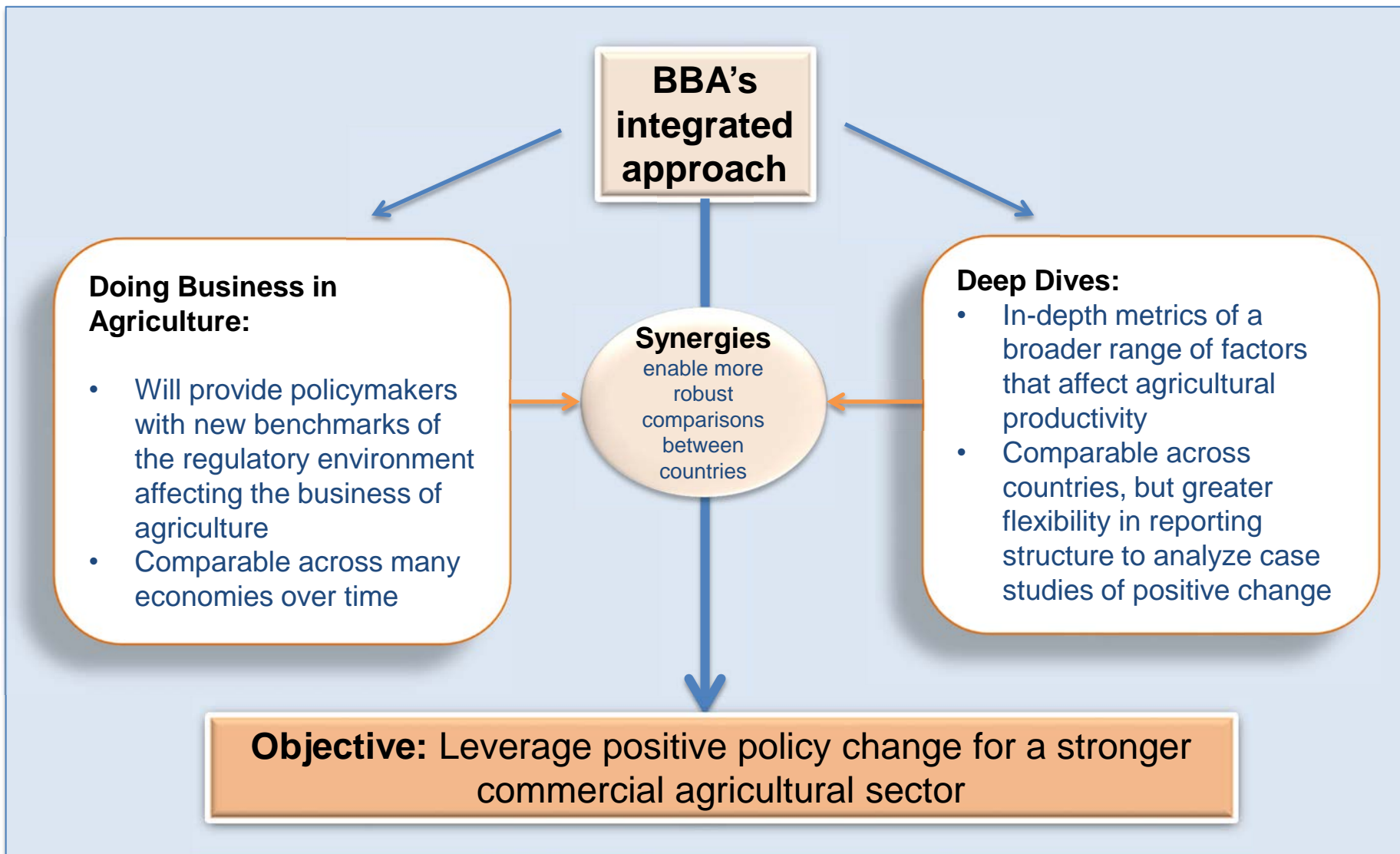
World Bank Group's Agriculture and Environmental Services (AES) and Global Indicators and Analysis Department (GIA) merge efforts to begin producing a

**"Benchmarking the Business of Agriculture" project**

**Convening in Copenhagen:**

Agriculture Transformation Index and agri-business component "fast-tracked", housed in the World Bank Group

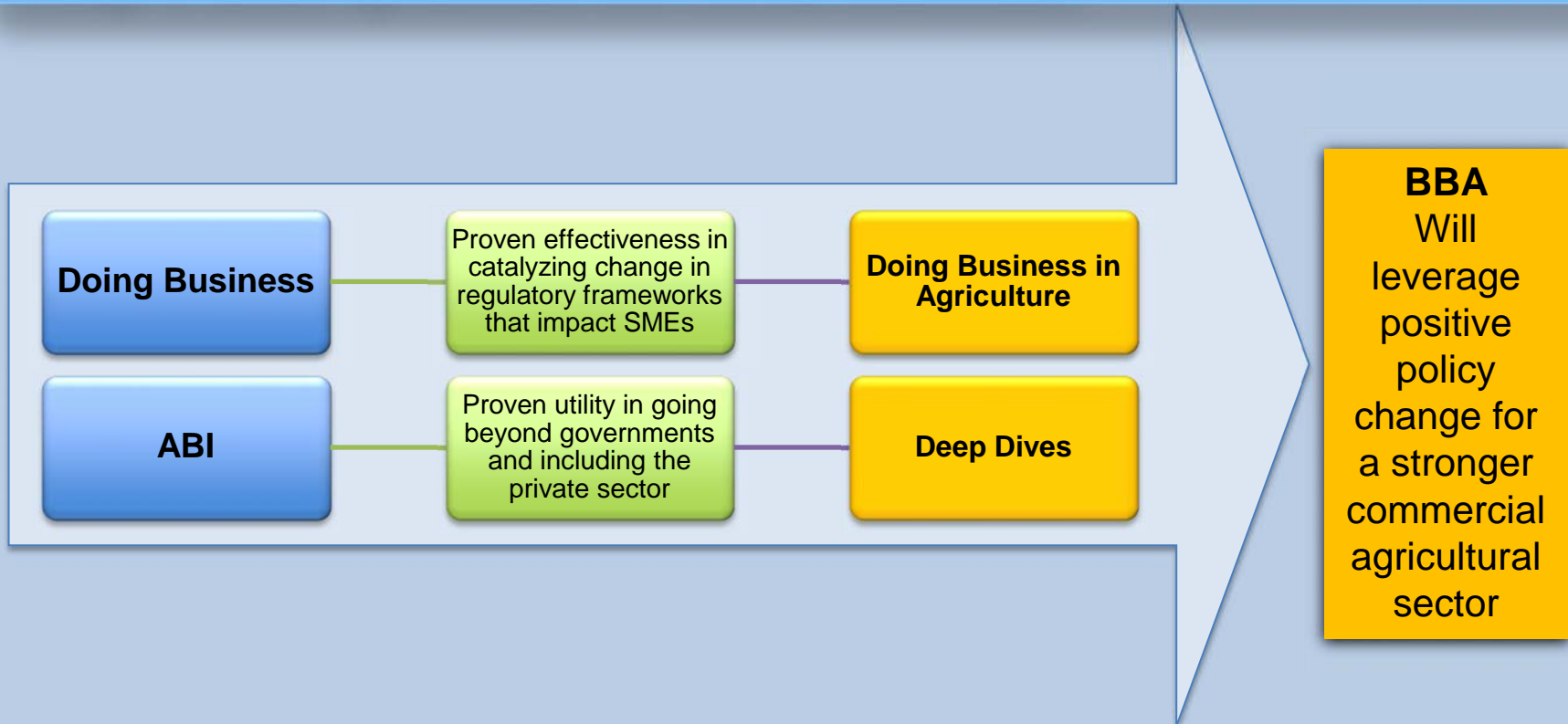
# Benchmarking the Business of Agriculture Structure and Objectives



# Benchmarking the Business of Agriculture

## Theory of Change

Research findings: Better government policies can encourage transformative change to benefit agribusiness and informal smallholders



- **Smarter business regulation promotes economic growth.** Informal economies tend to be smaller in countries where rules and regulations are strong and efficient.
- **Some areas of legislation have a critical impact on the productivity of small-scale agribusinesses.** Rules and regulations that directly impact medium to large-scale businesses can also significantly affect the profitability of small and medium-scale farmers.

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## Context for BBA Indicators

### Three key considerations

#### 1. BBA indicators will serve as one component of the Agricultural Transformation Index

- BBA indicators should complement , not replicate, indicators of other ATI components

#### 2. BBA indicators will provide guidance for building 'supply chain quality'

- BBA will cover operational, economic and policy aspects of the supply chain

#### 3. BBA indicators will target countries at different stages of overall and agricultural development

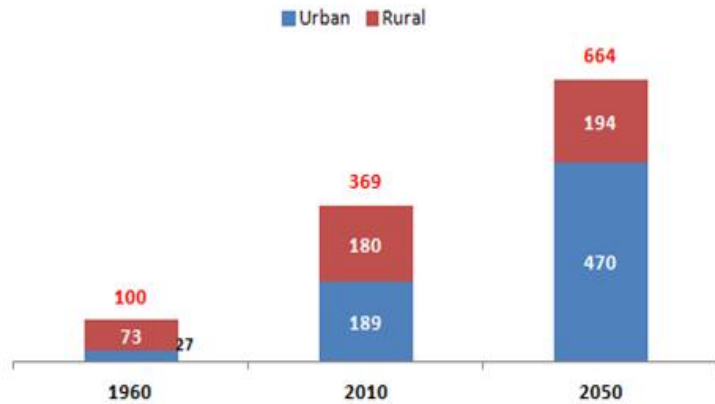
- Ag-based, transforming, urbanizing.

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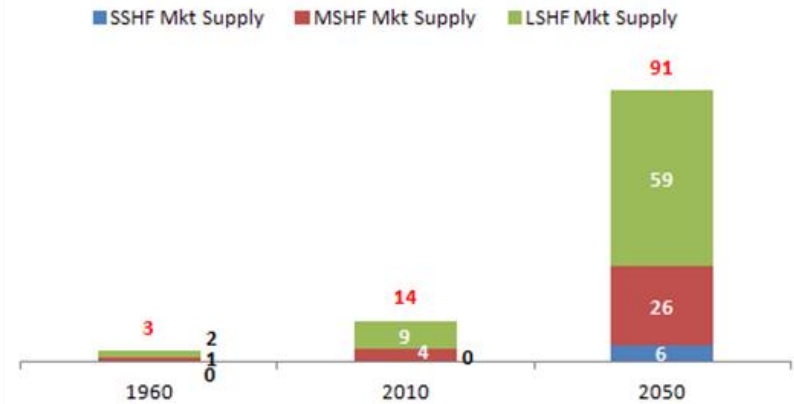
## Raison d'être

Very significant increases in food demand in towns, key suppliers the larger scale small-holder farmers

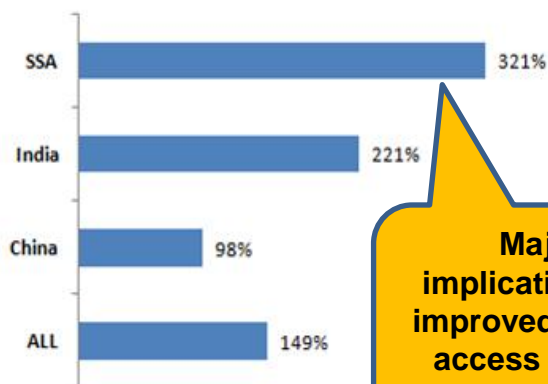
### Developing Regions Food Demand



### SSA Smallholder Market Supply

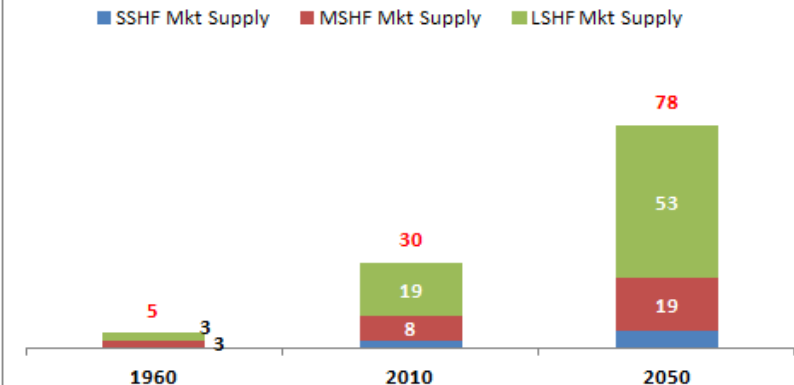


### Urban Food Demand Change 2010-2050



Major implications for improved market access in SSA and India

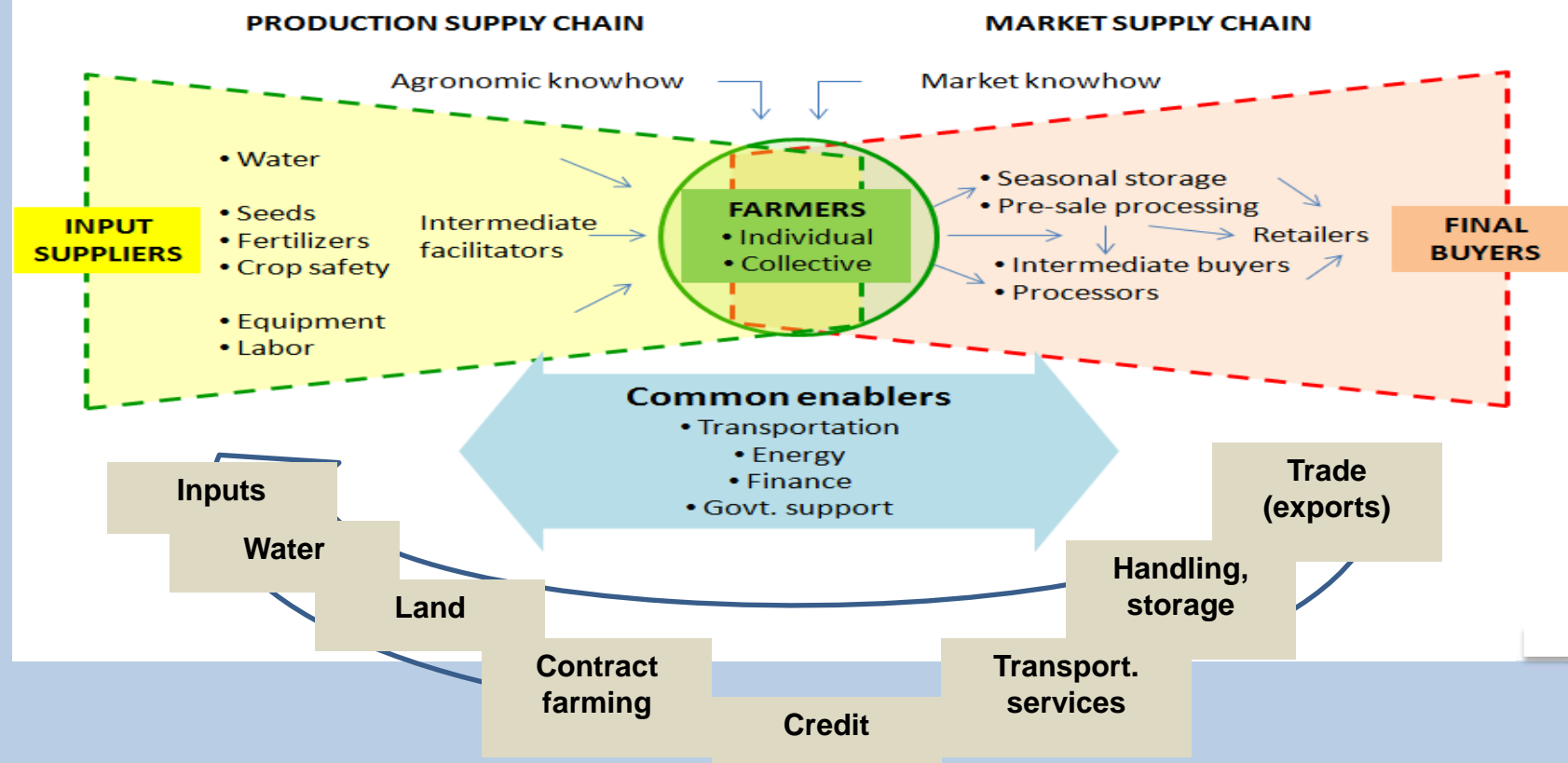
### India Smallholder Market Supply



# Benchmarking the Business of Agriculture Research & Analysis Approach

“Transforming” agriculture will require recognition of the economic capacity within each grouping’s supply chain

## Agribusiness Supply Chain



## Who we are, what we do



Sanjib & Raissa –  
**Country Analysis**



Valerie, James, Arnou & Niels– **Inputs i.e. Seeds,  
Fertilizer, Mechanization**



**Water**



Thea & Nuria– **Land Issues**



John, Yucheng & John - **Markets & Trade**



John & Samjhana  
**Rural Transport**



Joanna & Samjhana  
**Finance**



Alva -**Data Systems & Rural  
Energy/Communication**



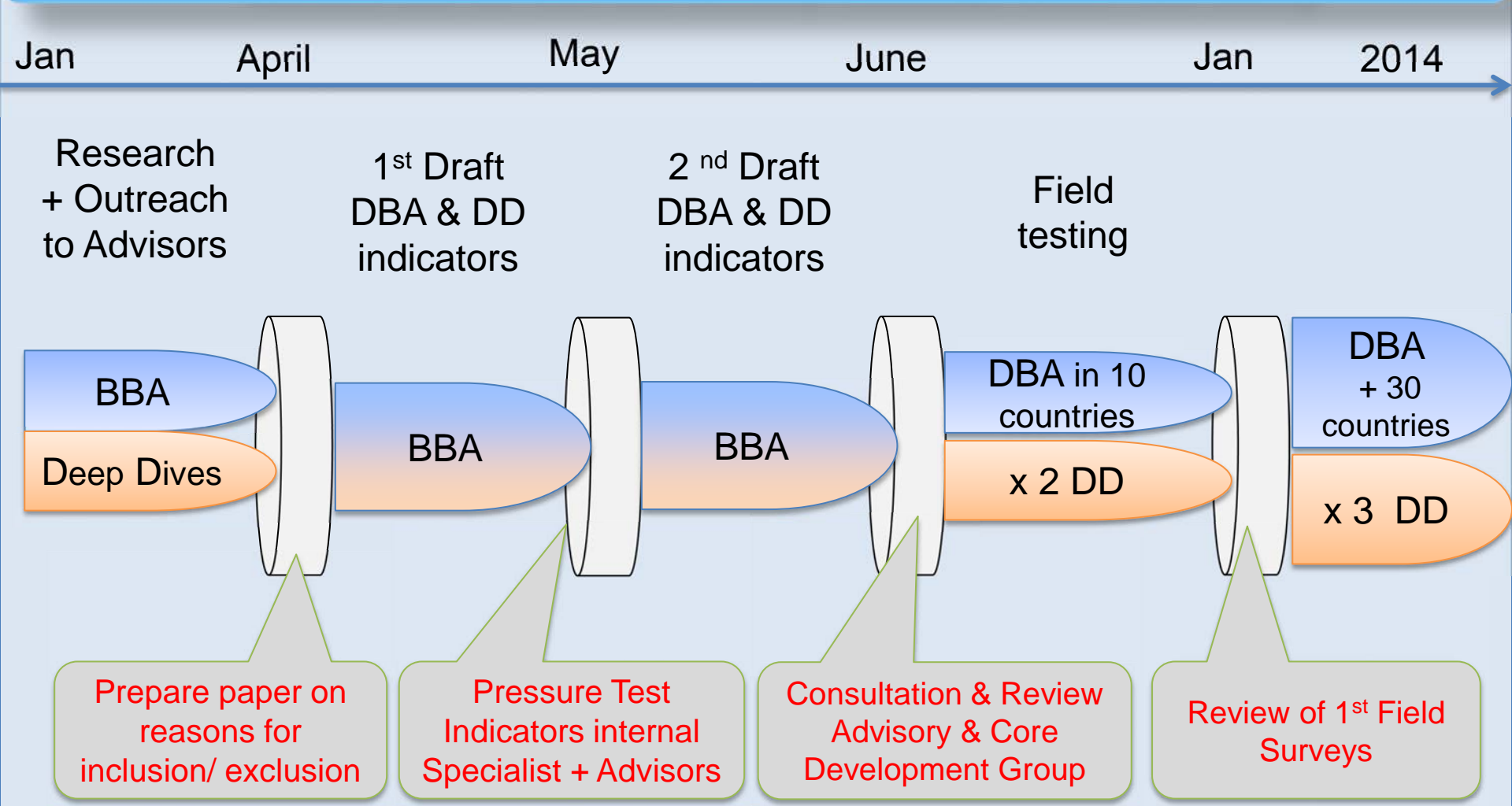
Melissa, Fedrica & Grahame  
**Donors, Survey, Indicators & Outreach**



# Benchmarking the Business of Agriculture

## Our first year's program

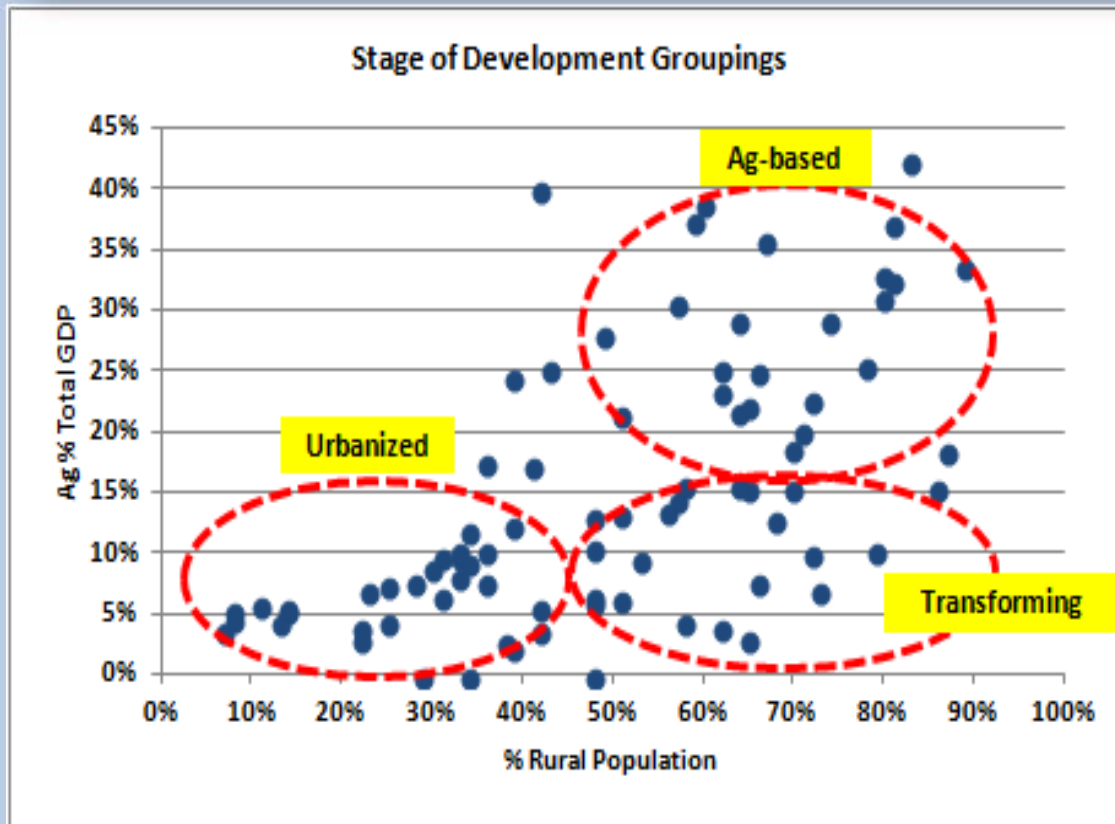
Forming and merging teams, developing indicators, developing and testing them with key advisors and the Core and Advisory Committee before field testing



# Benchmarking the Business of Agriculture

## Country Selection

Need to generate a purposeful sample – distinct groupings based on economic importance of agriculture\*



Illustrate Split of Countries, which will be divided across regions

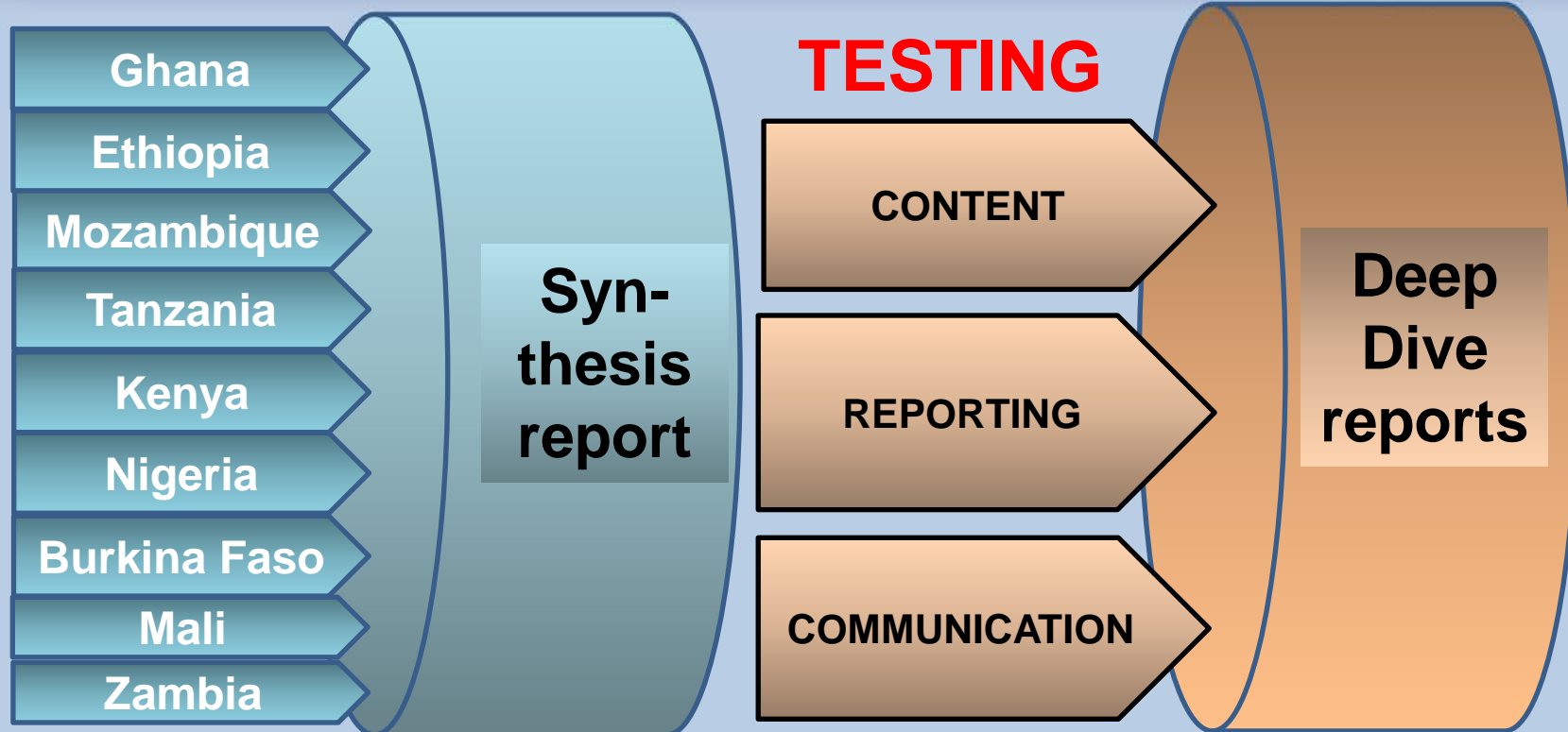
COUNTRIES	%	Nos
Advanced	6%	5
Urbanising	20%	16
Transition	37%	30
Agricultural	37%	30

\* % Rural Population could be replaced by % Labor Force in Agriculture

# Benchmarking the Business of Agriculture

## Deep Dives

The prototype of the Deep Dive reporting started in 2010 with 9 SSA country study of Agribusiness Indicators. This has generated a raft of new metrics to judge the enabling environment for agricultural commercialization.



# Thank you



# ANNEX

# Doing Business Project

Results show strong convergence across economies since 2005

