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PREVIOUS POSTION,
ADMINISTRATION
POSITION AND
CONSULTANCY

Associate Professor , Department of Agricultural and
Resource Economics, Faculty of Economics, Kasetsart
University(1973-2009).

-Associate Dean for Research Affaire (1999-2002).

-Director, Center for Applied Economics Research (1997-
2001).

-Chairman, Department of Agricultural and Resource
Economics (1994-1996).

Yelto Zimmer, Ph.D,
Senior Economist,
German Thünen Institute of Farm Economics

Dr. Yelto Zimmer is senior economist at the German Thünen Institute of Farm Economics and head of the crop economics group at the Thünen Institute. His main areas of expertise are global crop production economics and production systems as well as related commodity markets.



Yelto Zimmer is the coordinator of the global network of agricultural economists "agri benchmark Cash Crop" which comprises about 30 global research institutions in almost all major crop producing countries of the world. He managed to involve not only major international institutions such as the FAO or EU Commission into the network but also important agribusiness players such as John Deere or Syngenta.

Yelto Zimmer has a track record of major national and international research projects. Among others he is co-author of an evaluation of the German Bioenergy policy performed by the national advisory board to the German Federal Ministry of Food, Agriculture and Consumer Protection. He coordinated an international research project on the perspectives of wheat production.

Prior to his engagement at Thünen Institute he worked for almost ten years for a major global seed company. Yelto Zimmer graduated from the agricultural department of Göttingen University where he also received his PhD in agricultural economics.

Concept for a South-East Asian *agri benchmark* Rice Network

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Dr. Yelto Zimmer
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Bangkok
March 19th 2013

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1. Introduction
2. Major challenges in South-East Asian rice production
3. Why *agri benchmark* ?
4. What do we want to achieve?
5. What do we want to do
6. Issues
7. Design of the workshop

Introduction

1. Rice production and consumption in Asia and SEA

⇒ High % share in global rice production and consumption

⇒ Importance as a staple and “political” crop.

⇒ small scale farmers with low yield and income very important

⇒ Rice surplus in SEA is continuously rising in the past three decades

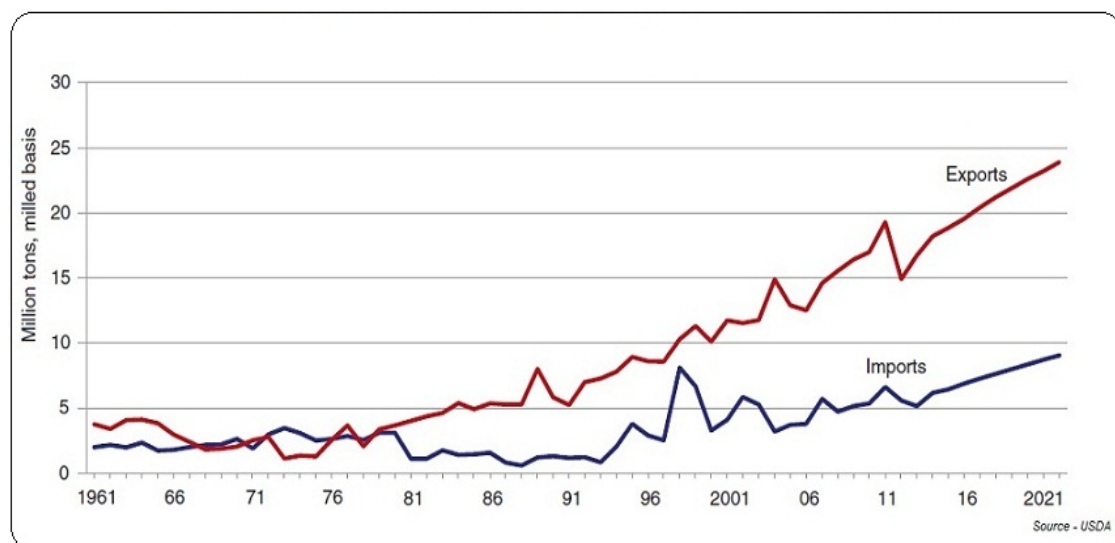
Region	Consumption		Production	
	million t	%	million t	%
All of Asia	393	86	419	90
- East Asia	156	34	155	33
- South Asia	136	30	151	33
- SE Asia	101	22	113	24
Outside Asia	66	14	46	10
Total	459	100	465	100

Source: Grain World Markets and Trade , January 2013

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Introduction

SEA – The growing player in rice trade



Source: “Southeast Asia’s Rice Surplus” by K. Baldwin; N. Childs; J. Dyck and J. Hansen, USDA, December 2012

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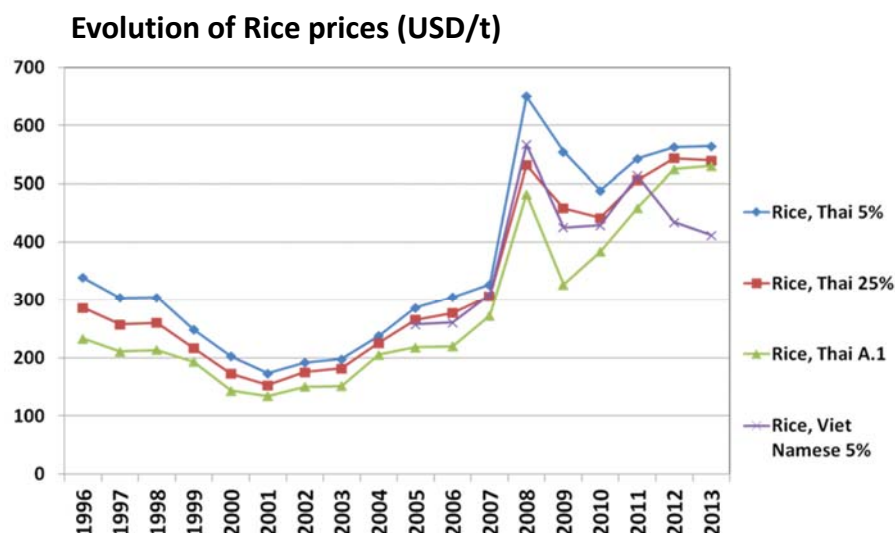
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Major challenges for SEA rice production (1)

1. High and Volatile of commodities price
 - ⇒ on-farm competition from other crops
 - ⇒ policy interventions to support rice production



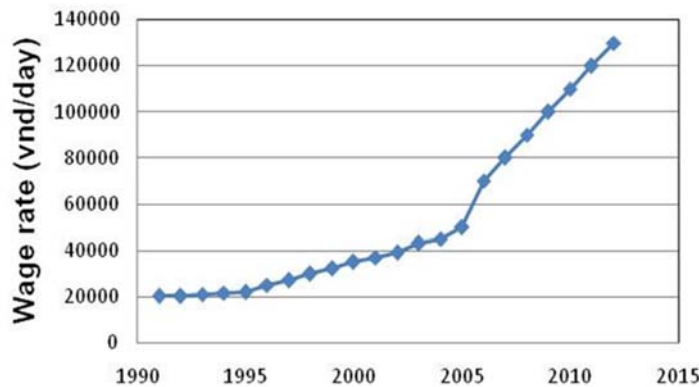
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Major challenges for SEA rice production (2)

2. Overall economic growth

- ⇒ strong increases in labor cost
- ⇒ increasing opportunity cost for labor/ farm labor migration
- ⇒ increasing demand for animal protein / feedstuff

Evolution of wage rates in Vietnam



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Major challenges for SEA rice production (3)

3. Strong differences in land productivity

- ⇒ options to increase yields per harvest
- ⇒ options to expand land use
- ⇒ options to intensify land use (e.g. multiple cropping; expanding irrigation, fertilization)



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Major challenges for SEA rice production (4)

4. Small farms/ field plot lead to low farm income and high production cost

- ⇒ accelerate structural change (commercial vs. subsistence farms; aging vs. “smart” farmers)
- ⇒ farm land consolidation (merging of plots)

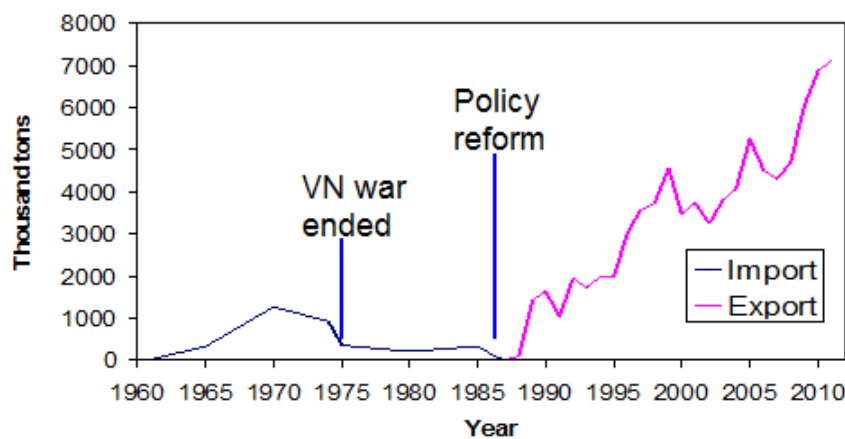


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Major challenges for SEA rice production (5)

5. Strong political desire to develop rice production and rice exports

Evolution of Vietnam's trade position



FAOSTAT, General Statistics Office

Source: Luan (2012) *agri benchmark*

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Major challenges for SEA rice production (6)

6. Little to no systematical, comparable and on-going data base on production systems and cost of production

- ⇒ weak data base for political interventions
- ⇒ weak data base for joint rice research in SEA
- ⇒ weak data base for investors



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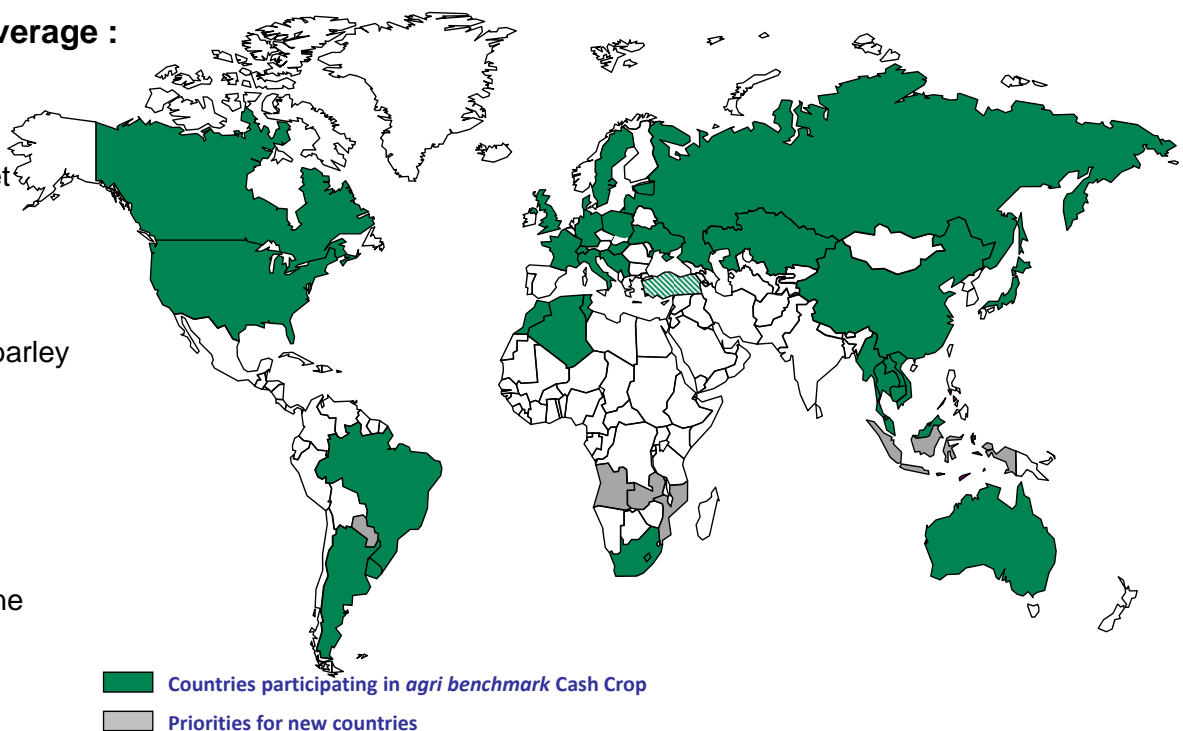
What is *agri benchmark*?



Present in all major Countries and Crops

Crop coverage :

Corn
Soybeans
Wheat
Sugar beet
Rice
Rapeseed
Oats
Rye
(Malting) barley
Sunflower
Sorghum
Cotton
Peas
Beans
Palm oil
Sugar Cane



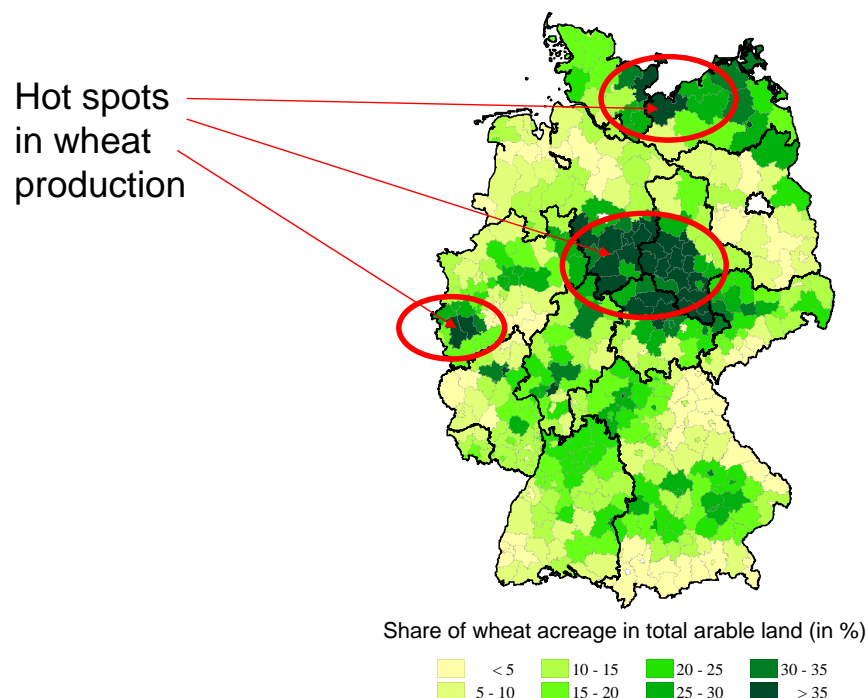
agri benchmark Farms – established systematically

A typical farm...

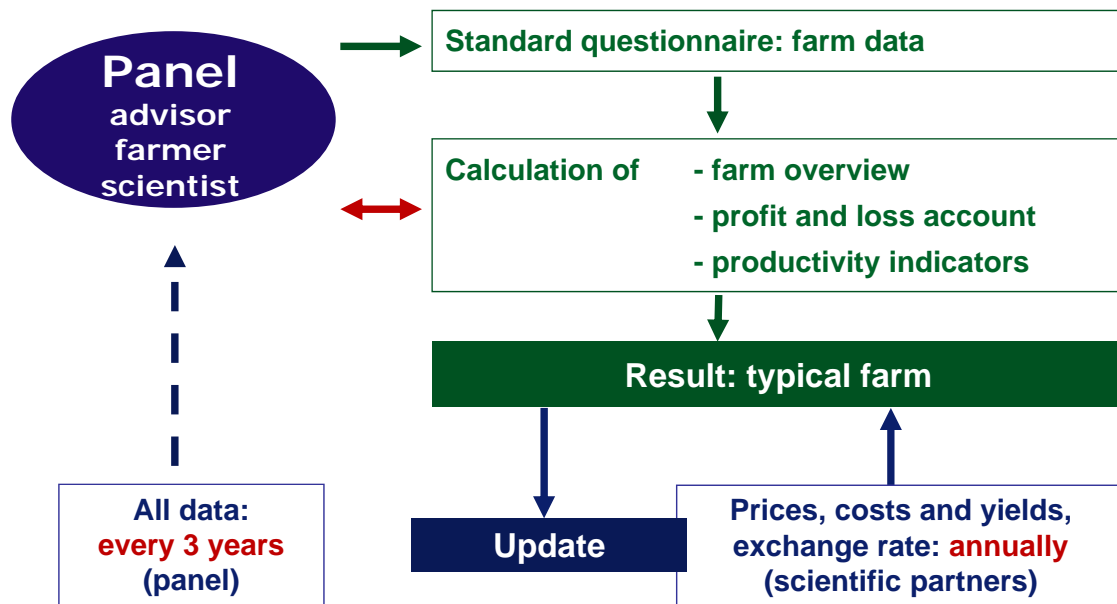
- ⇒ represents the origin of a major share of the national output in a given crop
- ⇒ is defined by a certain production system and a combination (if any) of enterprises
- ⇒ has certain structural features re. ownership of land as well as labor organization (family vs. hired)
- ⇒ is regularly being re-assessed to track changes

A standard operating procedure (SOP) to define typical farms was developed and is used by all partners involved.

How and where typical Farms are selected – Example wheat production in Germany



Procedure to establish a Typical Farm



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What do we want to achieve ? (1)

1. Understand perspectives of SEA rice production and markets

- ⇒ likely evolution of output
- ⇒ likely evolution of exports
- ⇒ likely quality improvements



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What do we want to achieve ? (2)

2. Improve understanding of current rice production systems and their economics

- ⇒ intensity and productivity of input use (chemical & fertilizer)
- ⇒ on-farm competition with other crops
- ⇒ mechanization
- ⇒ return to labor & land
- ⇒ land markets



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What do we want to achieve ? (3)

3. Build-up a comparable and up-to-date data base on cost of production & profitability in SEA rice production

4. Rice farm economists, advisors and growers to explore questions such as (based on „focus group discussions“)

- ⇒ options & conditions for technology transfer
- ⇒ profitability of improved & better input usage
- ⇒ merging field plots / farm growth
- ⇒ improve productivity of machinery
- ⇒ reduce harvest and post-harvest losses
- ⇒ how to manage impacts from climate change

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What do we want to achieve ? (4)

5. Create a sustainable exchange among rice farm economists

- ⇒ inform policy makers about sustainable interventions
- ⇒ sharing of information
- ⇒ joint publications
- ⇒ exchange of scientists

6. Expose regional rice farm economists to the global network of farm economists called „*agri benchmark* Cash Crop“

- ⇒ improve understanding of the global ag sector
- ⇒ interaction between rice and other commodities
- ⇒ learn to present findings to a challenging crowd

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What do we want to do ?

- 1. Research/advisory institution from SEA countries to support the concept and to nominate responsible staff**
- 2. Have a training session on *agri benchmark* methods and tools for new partners from the region**
- 3. Define joint and individual goals for the farm comparison**
- 4. Establish typical farms in key rice producing regions of the countries involved**
- 5. Have annual workshops to discuss results & next steps**
- 6. Publish reports and working papers**
- 7. Establish a regional coordination unit**

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Issues

- 1. Integration with other rice related projects in the region**
- 2. Funding for partners with financial weak institutions and for the coordination of the regional network**
- 3. Define rules for the cooperation**

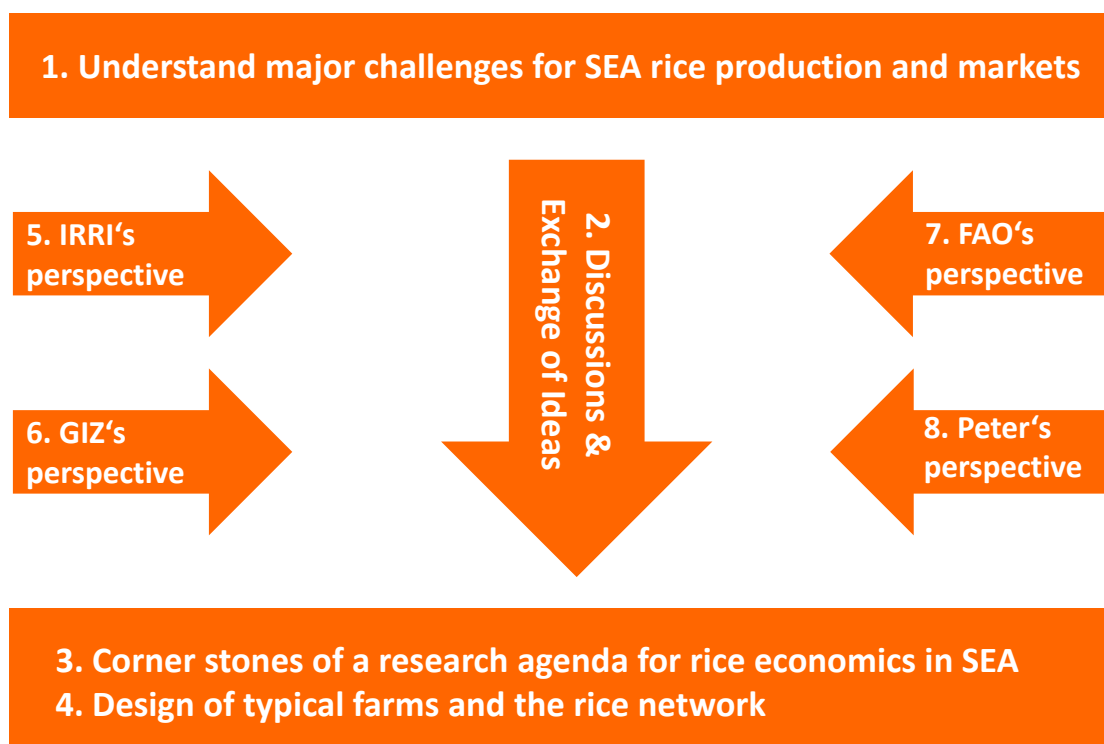
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Design of the Workshop (1)



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Design of the Workshop (2)

After each country presentation today:

1. What are the 3-4 key challenges to which we as a network of farm production economists can provide meaningful input?
2. What are likely implications for the establishment of typical farms?

After the external inputs on Wednesday:

1. Possible implications for the design of the network?
2. Options for co-funding for our network?

Let's take notes on the flip chart

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Thank you



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