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Agriculture Business Climate Index (ABCI)- Methodology and First Results

Volker Sasse, German-Ukrainian Agriculture Policy Dialog (APD)

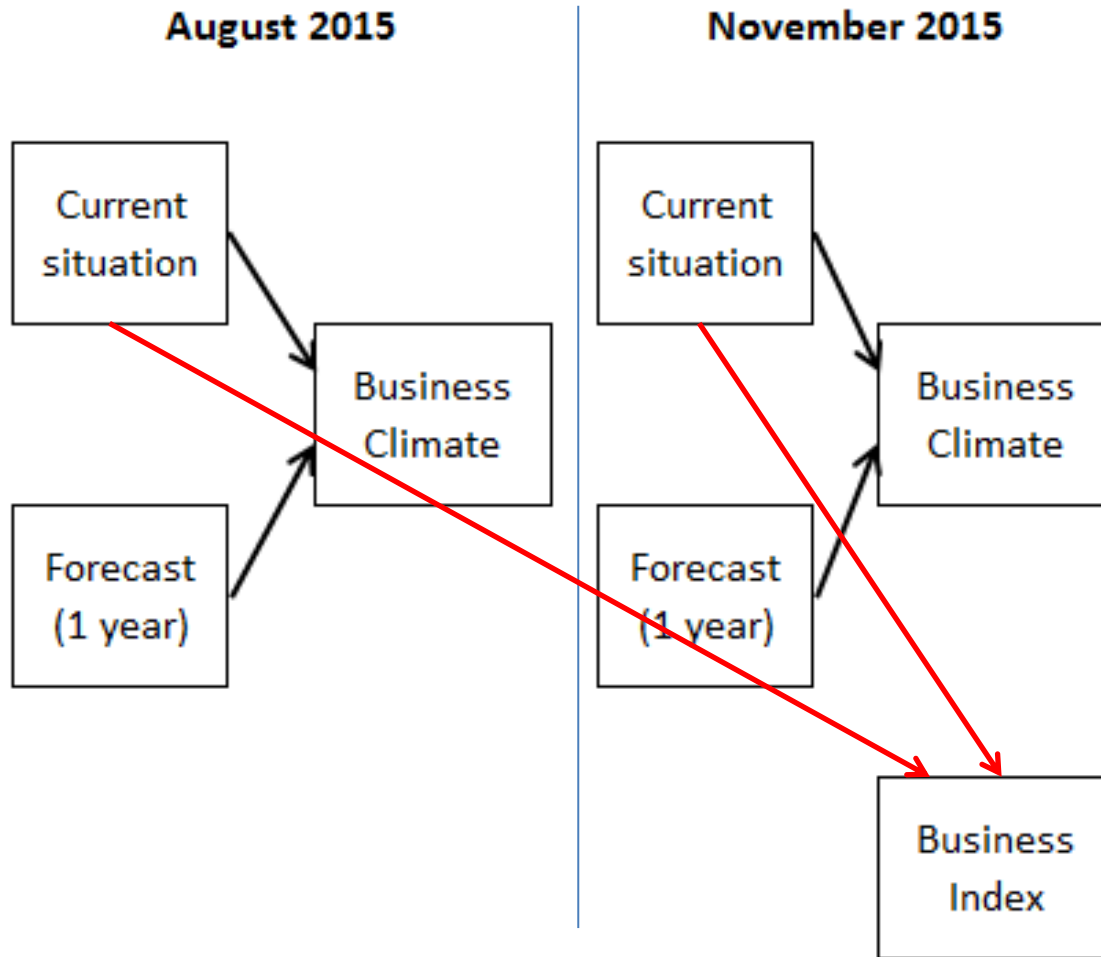
Igor Ostapchuk, Ukrainian Agribusiness Club (UCAB)

Justification of ABCI

- Early indicator for the development of the agriculture sector
- Fast, reliable insides to the subjective evaluation of the business climate by agriculture producers
- Focus on general policies and the specific agriculture policy framework
- Useful input for policy decision makers and the business community
- Close collaboration between UCAB and APD

General Approach – German Experiences

- Methodology: "Ifo Business Climate Index" (BCI), since 1972 by the Leibniz-Institute for Economic Research of the University Munich
- BCI is highly regarded by business community and state authorities, due to high level of reliability
- Producers assess monthly the current business situation as **"good", "satisfactorily" or "poor"**
- and their expectations for the upcoming period **"more favorable", "unchanged" or "more unfavorable"**



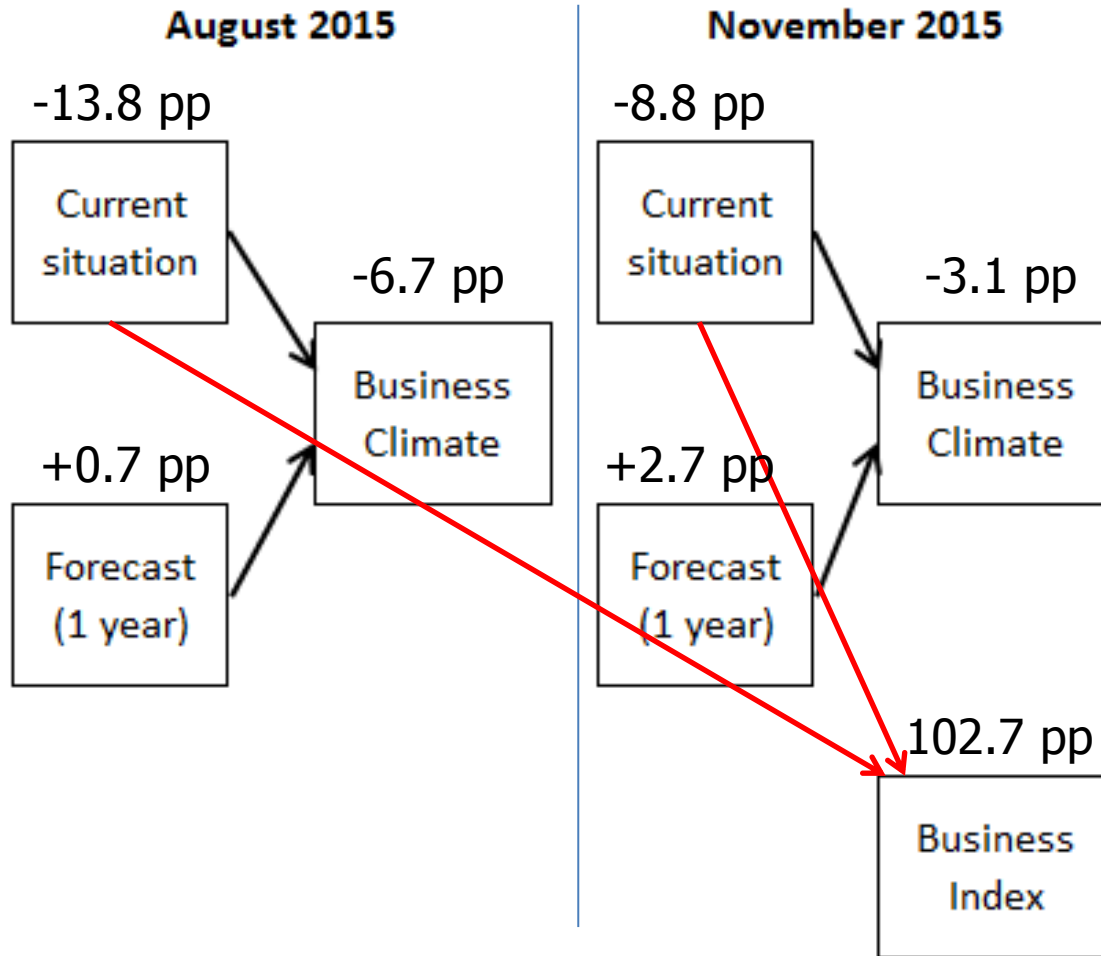
Specific Features of ABCI (1/2)

- 3 times per year: February, August, November
- Interviewing 400 agricultural producers (11% of gross agriculture production)
- Clustered by regions:
 - > Southern step areas (18%)
 - > Black soil areas (39%)
 - > Carpathian region (17%)
 - > North-Eastern sand soil (26%)

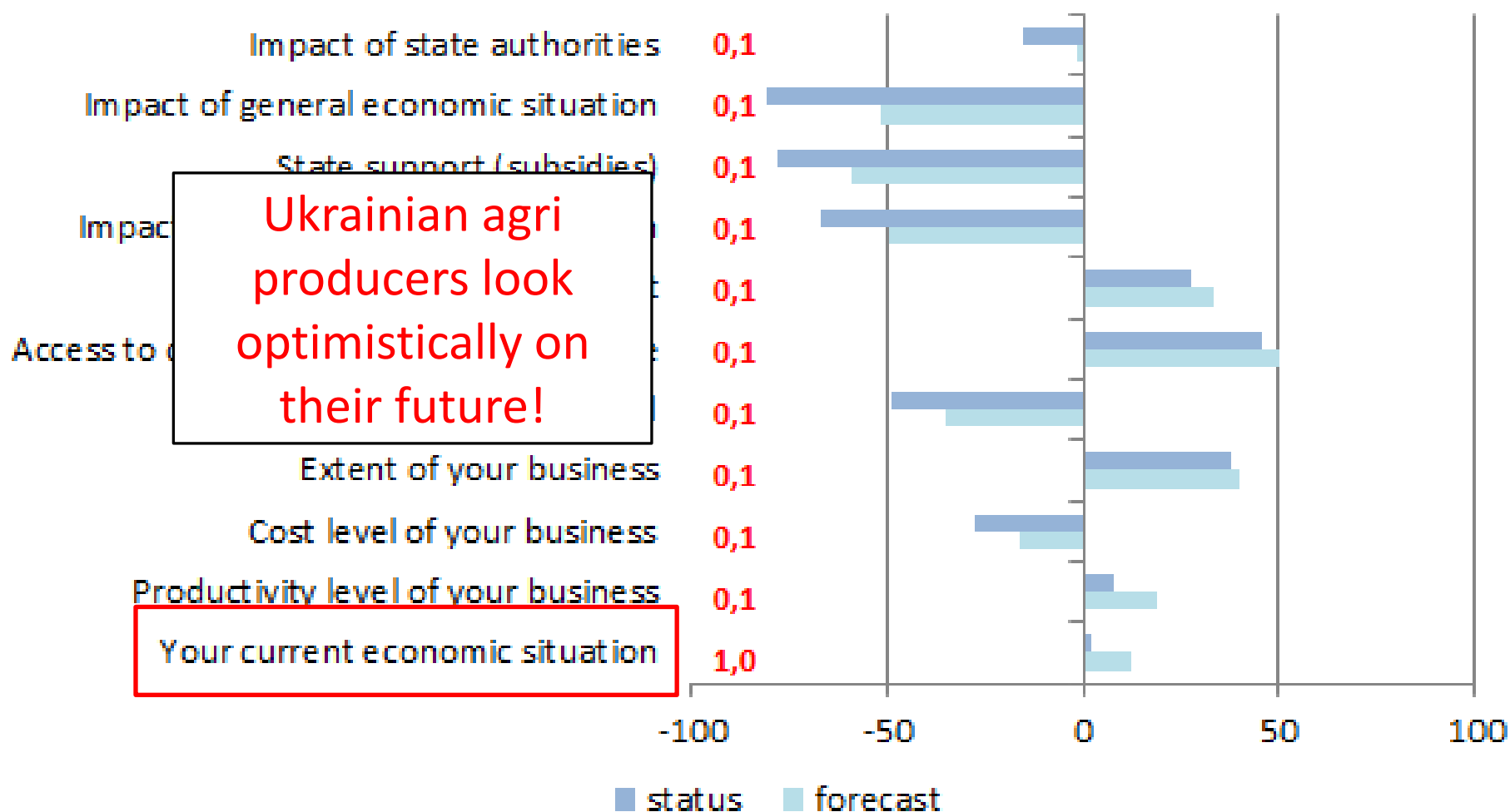


Specific Features of ABCI (2/2)

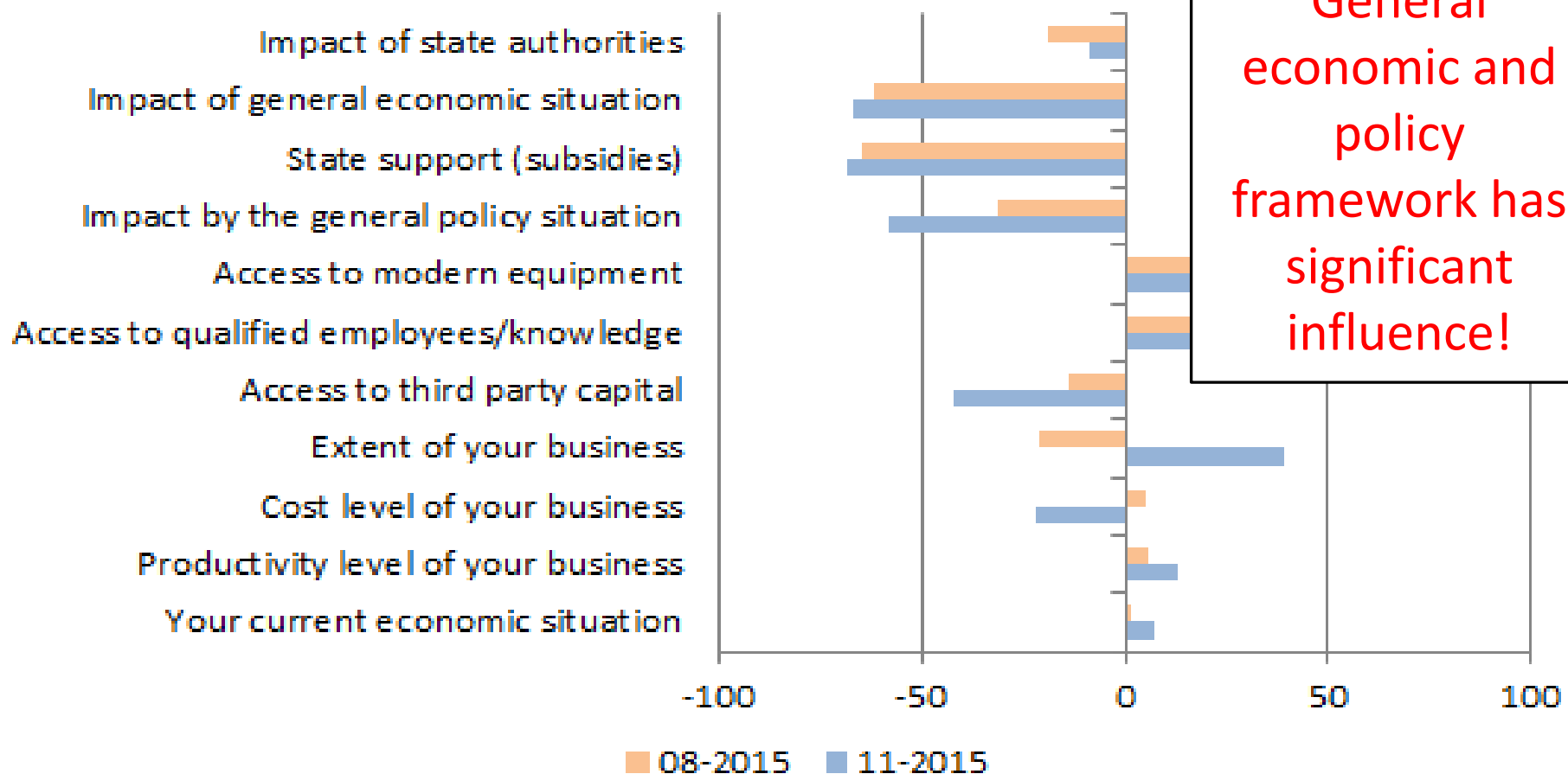
- Clustered by specialization
 - > Animal and mixed production (24%)
 - > Plant production (76%)
- Clustered by “enterprise” structures
 - > Individual producers/households (46%)
 - > Independent enterprises
 - >> Small and medium farmers - up to 5.000 ha (26%)
 - >> Big farm enterprises - more than 5.000 ha (7%)
 - > Agriholdings (21%)



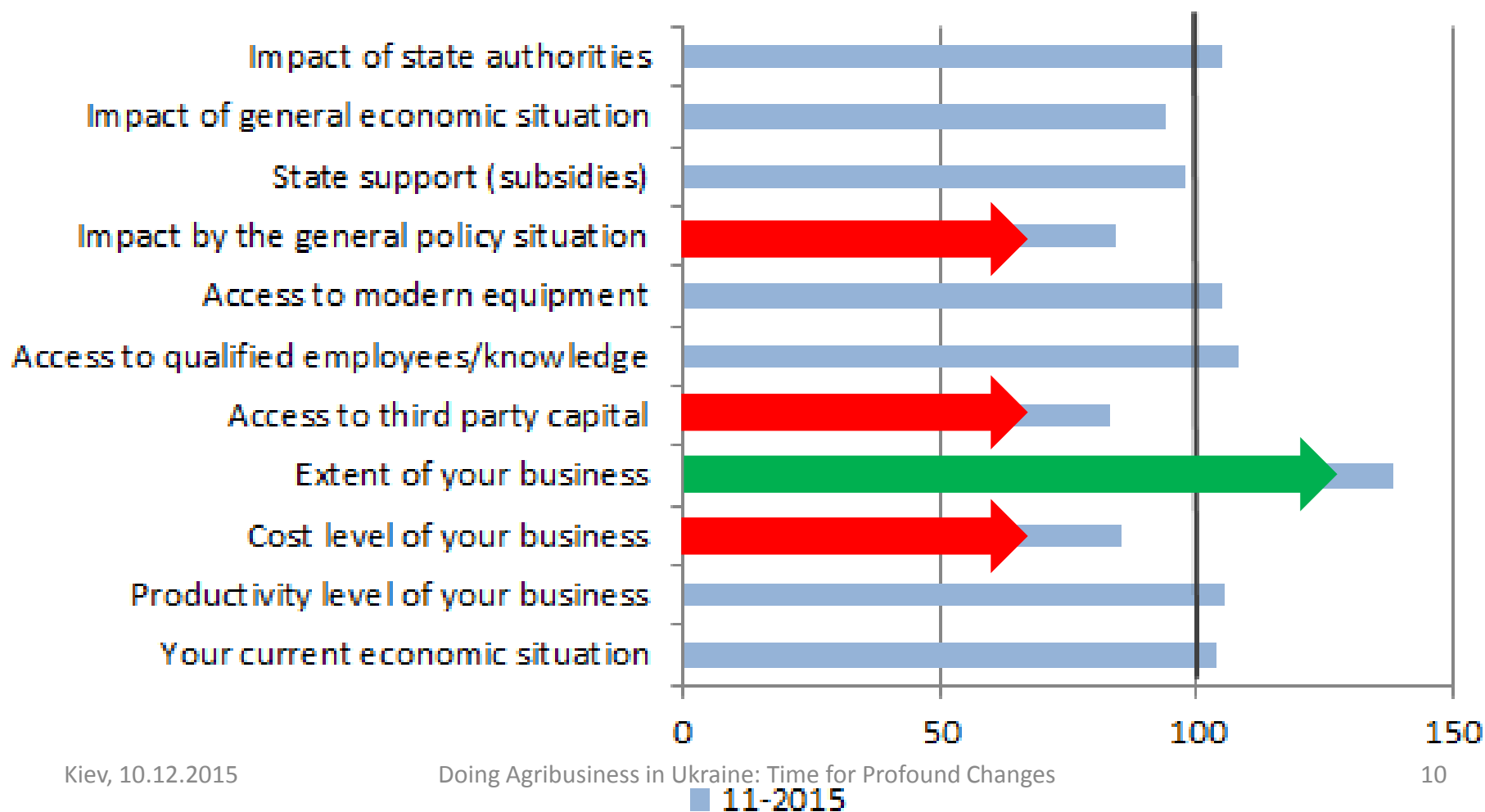
Agriculture Business Climate: by questions



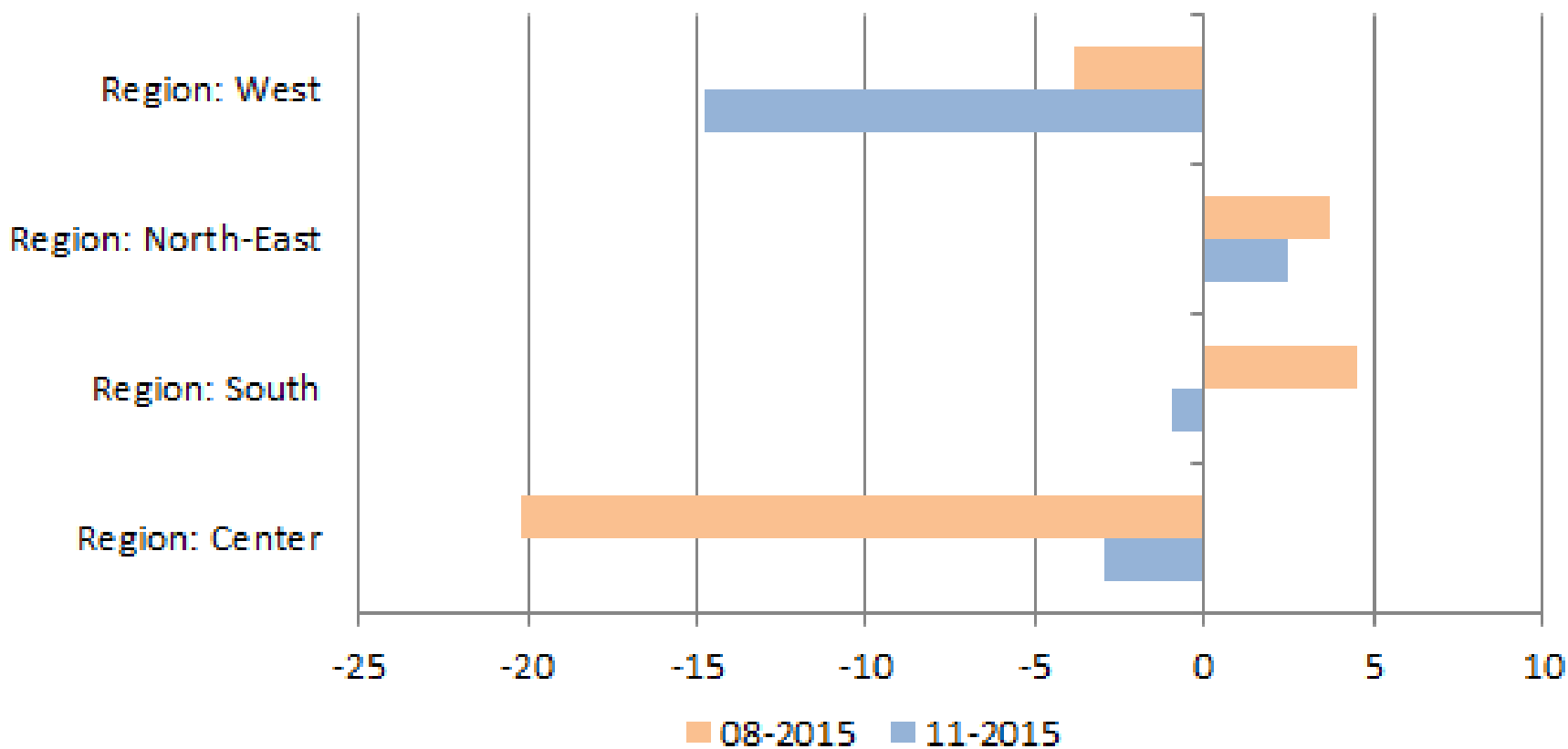
Agriculture Business Climate: by questions



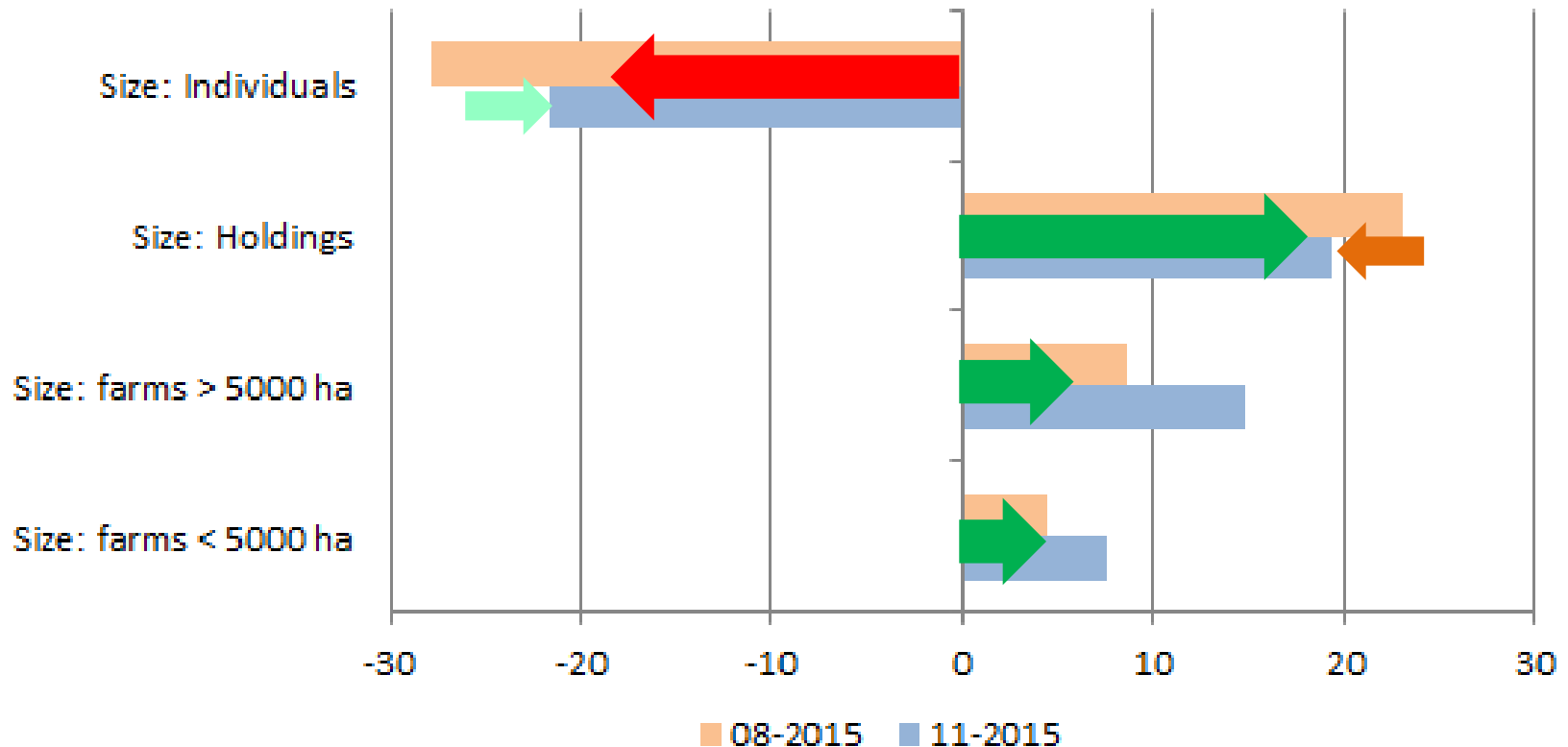
Agriculture Business Index: by questions



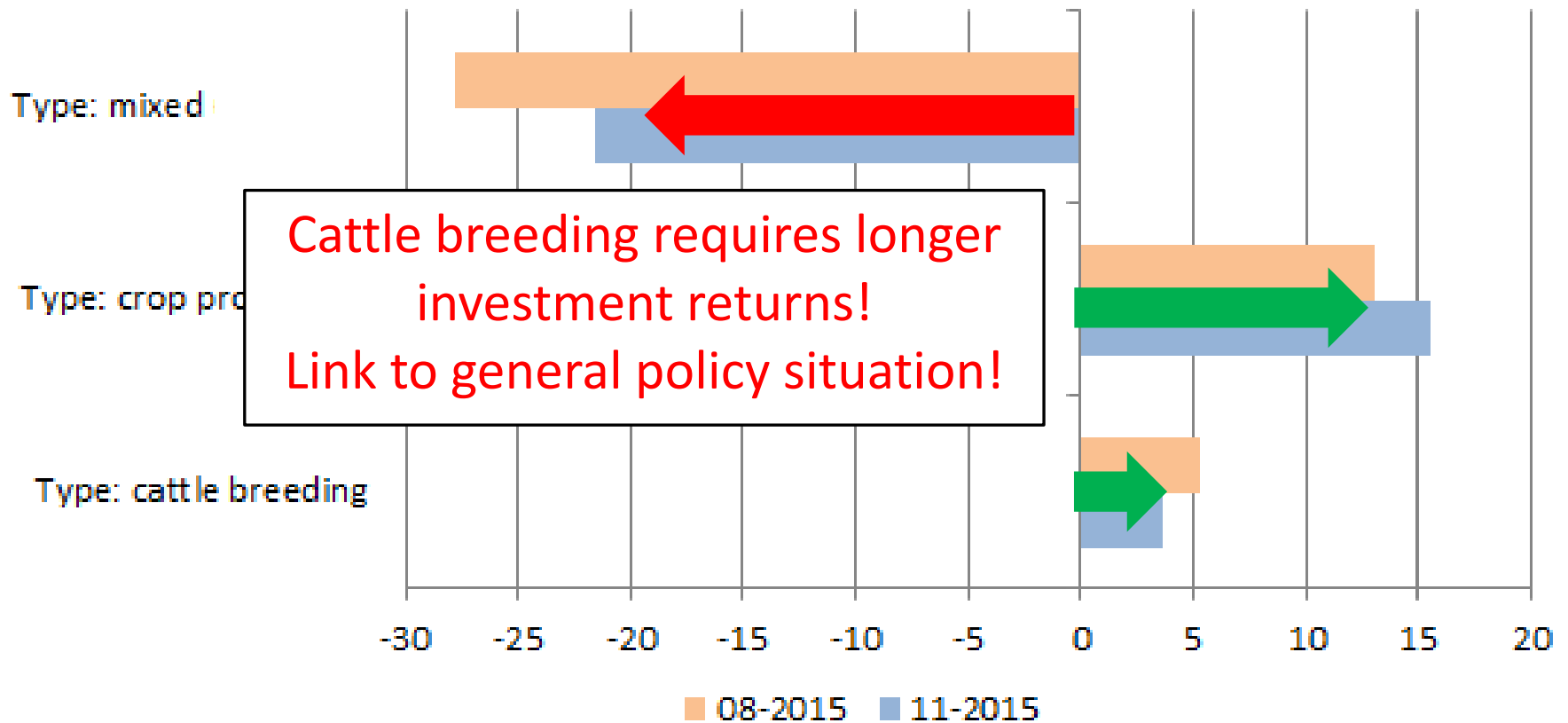
Agriculture Business Climate: by regions



Agriculture Business Climate: by size



Agriculture Business Climate: by specialization



Outlook – as base for discussion

- Monitoring results with regard to reliability (seasonal impacts)
- Aiming for public perception: business community and state administration
- Inviting Media for public distribution
- Development of other/more specific questions
- Add interview partners
- Financing?

Thank you for your attention!