



# Policy impact analysis in Niger using an Individual Farm Level model

Ongoing Capacity Building Activity within PANAP

Harouna HALIDOU DOUDOU¹, Pascal TILLIE², Sergio GOMEZ-Y-PALOMA²

Science Forum South Africa, 10 December 2020



(1) Ministry of Agriculture, Niger; (2) European Commission JRC



### Outline

Introduction

Working Group on Agricultural Policies

Methodology and Scenarios

Expected results





### Introduction

- The Joint Research Center (JRC) is currently supporting a Working Group of researchers in Niger for the analysis of agricultural policies using FSSIM-Dev
- FSSIM-Dev is an Individual Farm Level model which intends to replicate farmer's behavior and decision
- FSSIM-Dev has been developed to capture the particularities of developing countries:
  - Non-separability of production and consumption decisions
  - Static & non-linear optimization model
  - Heterogeneity of farmers' and farm holdings' characteristics





## Working Group

- Platform of users of FSSIM-Dev in Niger
- Members of the WG from:
  - Ministry of Agriculture and Livestock
  - INRAN Institut National de la Recherche Agronomique du Niger
  - INS Institut National de la Statistique
  - CAPEG Celulle d'Analyse des Politiques Publiques et d'Evaluatoin de l'Action Gouvernementale
- Several trainings on FSSIM-Dev since March 2017





# Objectives of the Working Group

- Analyze the behavior of agricultural production systems, in particular those of (semi) subsistence agricultural households.
- As such, the WG is specifically responsible for simulating scenarios in order to assess and predict the potential effects / impacts of:
  - Agricultural policies and development programs / actions (input subsidies, price or income support policies, public investments, etc.);
  - Adoption of alternative technologies / innovations on the economic performance of agricultural households.



### FSSIM-Dev structure

#### Supply module • Utilised Agricultural Area (arable & grassland)

- Set of crop and livestock activities
- Production techniques
- Crops and livestock yields
- Input and output prices
- •Input (seed, fertiliser...) quantities
- Labour requirement
- Familly labour
- Wage
- Observed activity levels
- Farm houeshold weighting factor
- Feed requirement & content
- Prices and Yields trend
- Land rental prices
- Supply elasticties

#### Household module

- Household members
- Consumer prices
- Reference consumption
- Demand elasticities
- Income elasticities
- Off-farm incomes

DATA

#### MODEL

- Optimise farm household's obiectives:
- Expected farm household income maximisation
- Subject to a set of constraints:
- •Land (arable & grassland)
- Labour
- agronomic
- consumption
- cash
- Feeding
- price bands
- ·market clearing

#### **OUTPUTS**

- Activity levels (ha & head)
- Production
- •Food consumption
- Land use
- Input use
- Market factors exchange
- Farm (agricultural) income
- Farm household income
- · Poverty gap
- •...

### **FSSIM-Dev Mathematical** structure

Maximize Farm HH income

### Subject to:

- Resource constraints
- Consumption (Lineal **Expenditure System)**
- Price bands





# Scenarios for modelling

- The methodology consists first of listing the priority technologies / innovations in Niger and evaluating them according to certain criteria, namely:
  - Estimated adoption rate
  - Relevance to Niger's agricultural policies
  - Potential impact on production, household income, poverty reduction
  - Ease of implementation of data collection (distance, transport, etc.)
- Data on farmer's practices will come from LSMS-ISA + own data collection if needed for specific technologies





# Scenarios for modelling

- The technologies / innovations selected for modelling are:
  - Improved varieties HPK-mil, Mota Maradi (sorghum), KVX30-309-6G (cowpea), 55-437 (peanuts)
  - Mixed cropping (alternate strip crops)
  - Assisted natural regeneration
  - Rain and moisture recuperation (demi-lune & zaï)
  - Biological recovery of degraded lands
- Implementing the scenarios in FSSIM-Dev will allow to scale up the impacts of technology adoption at national, regional and farm level



# Expected results (mid-2021)

- The modelling of agricultural policies with FSSIM-Dev allows to get insights of impacts on:
  - Crop allocation and production at farm, regional and national level
  - Labor use, worker-equivalent and job creation
  - Input use and agro-environmental proxies
  - Agricultural income for each farm
  - Poverty level for each farm
  - Distributional effects and inequalities at aggregated level
  - Some food security indicators (calories intake)





# Any questions?

You can contact with us at hhalidou78@yahoo.fr pascal.tillie@ec.europa.eu

