

October 04, 2017

SEMINAR NOTICE

Topic: FASAL: Econometric Model and its Applications
Speaker (s): Prof. Nilabja Ghosh and Mr. Yogesh Chandra Bhatt, Institute of Economic Growth
Chair: Prof. Arup Mitra, Institute of Economic Growth

The seminar details are as follows:

Date & time: **Friday, October 13, 2017 at 3.30 p.m.**

Venue: A.M. Khusro Room
Institute of Economic Growth
University of Delhi Enclave
North Campus, Delhi-110 007

All are welcome.

(Sabyasachi Kar)
Seminar Convenor

Abstract

Making estimates of crop production has been a historical practice in India but the system vastly improved after independence to keep up with policy needs of the FYP and the active food administration policy. Growth of population and globalization of markets now make timely and periodic outlook on food situation vital for the country. New crops of diverse dietary significance are also gaining policy attention. Early assessment of production of a wide range of food crops is becoming critical for administering logistics and storage, for timely international negotiations and to secure the welfare of both producers and consumers.

Despite its strength, the early season estimates of crop output of the conventional statistical system were invariably based only on subjective assessments and eye observations while the outcome of more rigorous objective exercises came out too late to give effective support for policy making as and when required. As the concerned officials became increasingly burdened with responsibilities, strains on the prevalent crop estimation system were also becoming evident. A review in 1995 led to the suggestion of a 'comprehensive project' and a 'strong mechanism of crop forecasting' which resulted in the institution of FASAL in 2006. The system of publicly releasing Advance Estimates (AE) of crop production coming four times in a year and ending with the Final estimates is supported by FASAL that integrates methods developed and emerging in various disciplines.

FASAL econometric models designed, estimated and updated by IEG are used to estimate production of select crops in major growing states for kharif and rabi seasons to provide the first two forecasts for validating official inputs of GoI, later revised in the light of more information inflow and forecasts from remote sensing. The econometric technique was valuable because it offered a unique method-based way to generate estimates quite early in the season when information was extremely scanty and uncertainty loomed large. It can also take explicit account of changes in economic incentives and policy. The econometric model can also be used for making inferences about policy implications such as promotion of a crop or any new technology. FASAL embodies a unique partnership of various scientific and administrative agencies with their specialized methods. Today's seminar presents the broad method used for econometric modeling of crop output used in FASAL seminar presenting some of the results for comparison with official releases and an application of the model for assessing a hypothetical policy to promote a specific crop for the purpose of biofuel production.