

SDG 12.3.1.a

Compiling the Food Loss Index SDG monitoring and reporting

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Objectives of this session

- ☐ Understand the national SDG monitoring system
- ☐ Describe the steps in compiling the country Food Loss Index (FLI)
- ☐ Reporting on the Food Loss Index
- Provide the FAO reporting tool





Food Loss Monitoring System

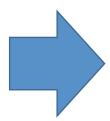


Build the food loss monitoring system

- Each country will build its own food loss monitoring system
- The scope and design will depend on the country priorities, the stakeholders, the data collection strategy and the national statistics system (available sources)
- The national monitoring system provides the data to report on SDG 12.3.1a

National Monitoring System:

- National monitoring responds to national priorities and needs
- Each country will pursue its own set of national indicators
- The guiding question is who will need to use the food loss data and how



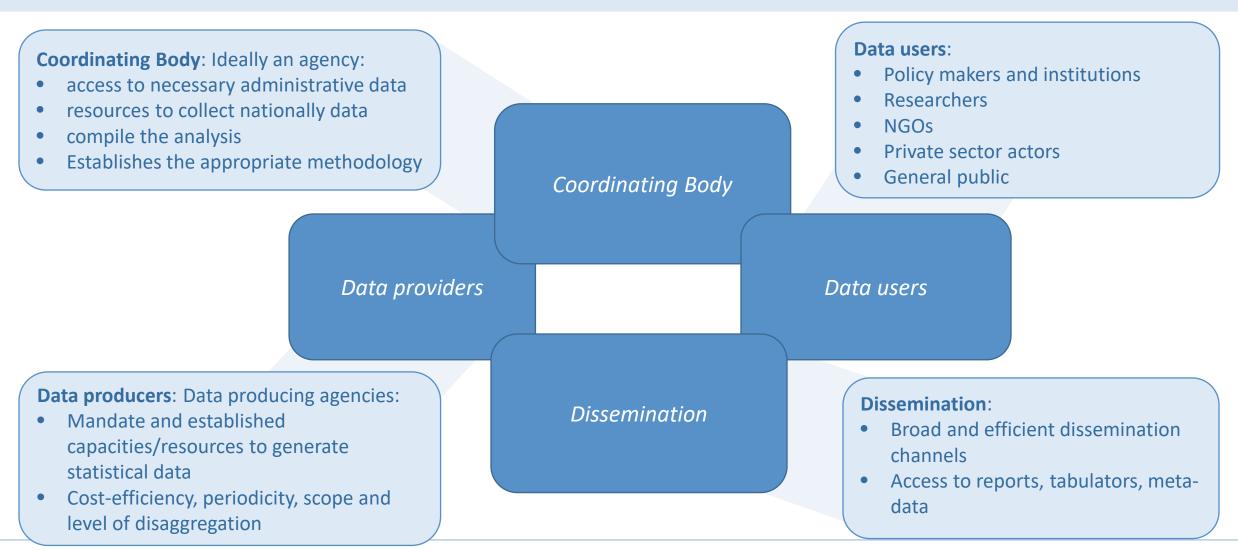
SDG framework for monitoring:

- Global monitoring will use data from the national monitoring systems
- National ownership of the SDG framework is key
- The country data will be organized to report towards SDG 12.3.1.a





Stakeholders





SDG 12.3.1.a Country level monitoring system

Coordinating body Data Coordinating body Data users Technical responsible producers Strategy Food and Agriculture Organiza Data ⇒ l_{ijt} Commodity 1 coordination Harvest Transport Processing Food and Agriculture Organiz On-farm and Food and Agriculture Organizati data Commodity 2 ⇒ liit recompilation Transport Storage Processing Wholesale Harvest collection from data Commodity 3 producers Processing Wholesale Farm Transport Storage Off-farm Commodity 4 Wholesale Tracking progress on food and agriculture-Harvest Farm Transport Storage Processing data Data related SDG indicators collection aggregation, Commodity 5 ↓ l_{iit} Storage Processing Wholesale Transport consistency and quality Commodity 6 $\Rightarrow l_{ijt}$ Processing Wholesale Storage Harvest Farm Transport

Establish a BASELINE

Monitor PROGRESS (every 3-4 years)

Report SDG 12.3.1.a (every 3-4 years)



From the planning and design towards implementation:

Planning and design of food loss data collection (data collection and measurement strategy)

- ☐ Set the priorities (commodities, critical food loss points)
- ☐ Decide how the country will measure and monitor food losses
- ☐ Set base year and data collection frequency
- ☐ Implement data collection / models

Measure and monitoring food losses in time (institutional framework):

- ☐ Coordinate data production, integration and monitoring
- ☐ Institutional feedback and dissemination mechanism
- Analyze and disseminate food loss data





Steps in Compiling the Country Food Loss Index

- 1. Select the **commodity basket** for the country FLI and intergrate the required data (prices, imports, ...)
- 2. Choose the *base year*
- 3. Compile *the weights*
- 4. Collect/Compile data at country level for each year
- **5.** Aggregate the food loss percentages for the selected commodities and years
- 6. Compile, monitor and report the country food loss index







1) SELECT THE COMMODITIES BASKET FOR THE COUNTRY FLI

Reasoning for allowing countries to select a national commodity basket:

- Loss statistics cannot cover the entire basket
- The same commodities are not relevant for all countries
- Trade-off between relevance at country level and comparability across countries

FAO will use the following default process in case the country does not provide a selection:

- 1. Compile value of production for every commodity (in the base year)
- 2. Group commodities by category and rank them
- 3. Select the top 2

Comparability

- 1.Cereals & Pulses;
- 2.Fruits And Vegetables;
- 3. Roots, Tubers & Oil-Bearing Crops;
- 4. Animals products;
- 5. Fish and fish products
- 6.Other crops (stimulants, spices, sugar, etc.)

Relevance

Countries determine the ten commodities by analyzing:

- Policy focus
- Economic relevance
- Food security relevance

		Exampl	e of criterias to	select commod	ity basekt for SD	G 12.3.1 a			
		Production and contribution to agricultural sector			Food Security a	nd Nutrition	Socioeconomic Factors	Policy Factors	Relevance for Food Loss Reduction
Heading	Commodity	Production Volume (tons)	Percent of total volume of commodity group	Production Value (1000 Dollar)	Percent contribution to average food basket (%)	Priorities for nutrition	Relevance small scale farmers	Part of policy priorities/ programmes	Relevance for food losses
Cereals and pulses	Wheat	2,511,008	5%	609,498	6.0%	Medium	Low	Medium	Low
Cereals and pulses	Barley	963,288	2%	116,405	4.0%	Low	Low	Medium	Low
Cereals and pulses	Rice	587,980	1%	70,791	8.0%	Medium	Low	Medium	Low
Cereals and pulses	Maize	11,896,456	26%	4,002,147	18.0%	High	High	High	High
Fruits and vegetable	Tomatoes	2,669,982	6%	1,495,688	6.0%	High	Medium	High	High
Fruits and vegetable	Onions	943,848	2%	20,590	2.0%	Medium	Low	Medium	Medium
Fruits and vegetable	Mango	902,014	2%	1,316,557	2.0%	Medium	Medium	Medium	High
Fruits and vegetable	Bananas	594,295	1%	671,627	3.0%	High	High	High	High
Meat & Animals Products	Eggs	2,772,544	6%	1,178,366	9.0%	High	High	Medium	Medium
Meat & Animals Products	Raw milk of cat	3,099,608	7%	1,197,611	11.0%	High	High	Medium	Medium
Meat & Animals Products	Meat of cattle f	2,315,441	5%	10,315,245	6.0%	Medium	Low	High	High
Meat & Animals Products	Poultry Meat	3,277,342	7%	4,866,832	10.0%	High	Medium	High	Low
Roots, Tubers & Oil-Bearing	Soyabean	433,564	1%	139,646	0.0%	Low	Low	Medium	Medium
Roots, Tubers & Oil-Bearing		804,923	2%	9,034	0.0%		Low	Low	Low
Roots, Tubers & Oil-Bearing		1,257,076	3%	303,268	6.0%	Medium	Low	Medium	High
Roots, Tubers & Oil-Bearing	Coconut	1,002,283	2%	127,986	0.0%	Low	Medium	Low	Low



Example of required data

Heading	СРС	Item Name	Production	Imports Production + Price		Price	Percent of total value of Production	Reference Quantity	Value of Reference Quantity
			Average 2014- 2016 (Tons)	Average 2014- 2016 (Tons)	Average 2014- 2016 (Tons)	International dollar prices from FAOSTAT	Based on value of production FAOSTAT	If Import/Production<0.1, Production; If Import/Production> or =0.1, Production + Imports	Reference Quantity * Price
Cereals & Pulses	0111	Wheat	2,511,008	8,056,666	10,567,675	232	0.28	10,567,675	2,451,700,600
Cereals & Pulses	0115	Barley	963,288	NA	1,700,073	195	0.04	963,288	187,984,305
Fish & Fish Products	0		0	0	0	0	0.00		
Fish & Fish Products	0		0	0	0	0	0.00		
Fruits & Vegetables	01234	Tomatoes	1,169,982	15	1,169,997	468	0.03	1,169,982	547,152,378
Fruits & Vegetables	01314	Dates	984,783	7	984,790	1050	0.03	984,783	1,034,158,936
Meat & Animals Products	02211	Raw milk of cattle	3,099,608	75	3,099,683	386	0.08	3,099,608	1,197,611,041
Meat & Animals Products	21115	Meat of sheep	272,989	3,492	276,480	4555	0.01	272,989	1,243,365,663
Roots, Tubers & Oil-Bearin	01450	Olives	611,007	190	611,197	1014	0.02	611,007	619,836,112
Roots, Tubers & Oil-Bearin	01510	Potatoes	4,657,076	126,347	4,783,424	243	0.13	4,657,076	1,132,572,941
Other	01371	Almonds in shell	69,135	46	69,181	5237	0	69,135	362,067,766
Other	02910	Natural honey	6,424	736	7,161	3623	0	7,161	25,946,684
							Total Value of Re	ference Quantity:	8,802,396,426



2) CHOOSE THE BASE YEAR

The base year for SDG 12.3.1.a monitoring and reporting should ideally be 2015:

The benchmark at country level can be based on the first survey period (variable year).

For international comparability:

- A harmonized base period will have to be set to produce regional and global aggregates
- FAO needs to interpolate (model) loss percentages in the baseline year and in a common reporting year

3) COMPILE THE WEIGHTS

FAO calculates SDG 12.3.1.a with weights based on economic values to aggregate reported food loss percentages by commodity. The NFLI is then biased towards higher economic-valued commodities (fixed for the base year).

Countries can additionally apply other weights to their food loss percentages if of interest for national decision making:

- Nutritional factors: e.g. caloric or protein values will be biased towards meats and staples, but not on fruits and vegetables
- Environmental factors: e.g. water or CO2 can be biased against meats, fruits, vegetables and nuts, as well as production systems by country



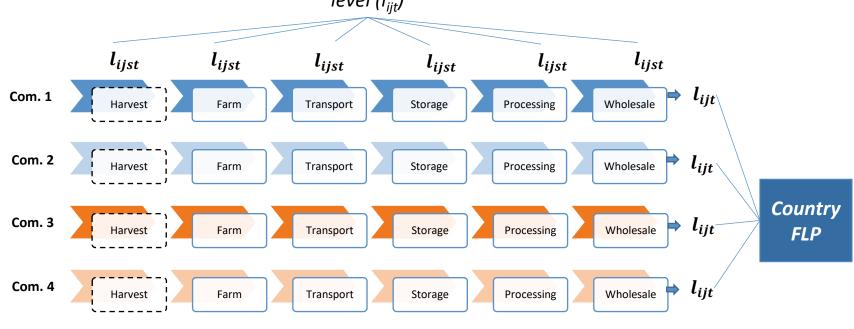


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Fish & Fish Products	0		0	0	0	<mark>)</mark>)	0.00		
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Fruits & Vegetables	01234	Tomatoes	1,169,982	15	1,169,997	4 <mark>5</mark> 8	0.03	1,169,982	547,152,378
Fruits & Vegetables	01314	Dates	984,783	7	984,790	10 <mark>50</mark>	0.03	984,783	1,034,158,936
Meat & Animals Products	02211	Raw milk of cattle	3,099,608	75	3,099,683	336	0.08	3,099,608	1,197,611,041
Meat & Animals Products	21115	Meat of sheep	272,989	3,492	276,480	45 <mark>5</mark> 5	0.01	272,989	1,243,365,663
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Other	01371	Almonds in shell		Li	$\iota_{ijt} * (q)$	(p_0)	0	69,135	362,067,766
Other	02910	Natural honey	FL	$P_{it} = \frac{1}{2}$	5	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	0	7,161	25,946,684
					$\sum_{i} (q_0 * i)$	(v_0)	otal Value of he	ference Quantity.	8,802,396,426

4) COLLECT/COMPILE DATA AT COUNTY LEVEL FOR EACH YEAR

Food loss percentages by commodity representative at national level (I_{iit})



Each commodity's supply chain can be disaggregated down to stages. Estimates for the different stages can come from various instruments and tools. Weighted Aggregation of all commodities in the country basket FLP

Break down the problem into structured parts –stages

Simplify the supply chain to main stages

Get to loss estimates for each stage

Each stage will have different measurement challenges in terms of tracking loss quantities over time

Evaluate where the information comes from at each stage

How to think about layering information to keep this cost-effective





5) AGGREGATE THE FOOD LOSS PERCENTAGES FOR THE SELECTED COMMODITIES AND YEARS

Aggregation from stage level data and final Food Loss Percentages:

- To aggregate losses, all the loss quantities and operated quantities need to be known.
- If not, a simplified aggregation method can be used to aggregate losses for the whole supply chain starting with a reference quantity of 1000.
- To obtain the total food loss percentage, the remaining supply at the retail stage is divided by the reference quantity 1000.

			Reference Quantities Remaining by Stage***										
Group	Item Code	em Code Commodity		em Code Commodity		Farm/ Slaughter	Collection	Storage	Wholesale	Processing			
Cereals & Pulses	111	wheat	990	970	970	970	956	923					
Cereals & Pulses	113	rice	990	970	970	970	956	923					
Fish & Fish Products	0	0	1039	954	954	954	899	694					
Fish & Fish Products	0	0	1039	954	954	954	899	694					
Fruits & Vegetables	1316	mangoes guavas mangosteens	983	943	943	943	910	864					
Fruits & Vegetables	1359.9	other fruits n.e.	983	943	943	943	910	864					
Meat & Animals Products	2211	raw milk of cattle	973	948	948	948	882	867					
Meat & Animals Products	2212	raw milk of buffalo	973	948	948	948	882	867					
Other	1652	chillies and peppers dry (capsicum	1000	1000	1000	1000	1000	1000					
Other	1802	sugar cane	1000	1000	1000	1000	1000	1000					
Roots, Tubers & Oil-Bearing (143	cottonseed	1029	972	972	972	931	857					
Roots, Tubers & Oil-Bearing (1510	potatoes	993	963	963	963	939	845					

Food loss percentage and quantity									
Remaining Supply	Total Supply								
at the retail stage	Chain Loss								
923	7.7%								
923	7.7%								
694	30.6%								
694	30.6%								
864	13.6%								
864	13.6%								
867	13.3%								
867	13.3%								
1,000	0.0%								
1,000	0.0%								
857	14.3%								
845	15.5%								



5) AGGREGATE THE FOOD LOSS PERCENTAGES FOR THE SELECTED COMMODITIES AND YEARS

The Country Food Loss Index is based on country data on food losses:

- The data is usually generated at stage level and aggregated along the supply chain (up to retail)
- In some cases, food losses are estimated for the whole supply chain (indirect methods)
- It is probable that data is not collected each year, then the data from previous year are used or interpolation methods can be used

			Year						
Group	Item Code	Item Name	2015	2016	2017				
Cereals & Pulses	0111	Wheat	5.6%	5.4%	5.9%				
Cereals & Pulses	0115	Barley	6.1%	6.4%	7.9%				
Fish & Fish Products	0								
Fish & Fish Products	0								
Fruits & Vegetables	01234	Tomatoes	16.1%	16.5%	17.0%				
Fruits & Vegetables	01314	Dates	9.8%	9.7%	10.3%				
Meat & Animals Products	02211	Raw milk of cattle	5.9%	4.9%	4.0%				
Meat & Animals Products	21115	Meat of sheep fresh or chilled	5.5%	5.0%	5.0%				
Roots, Tubers & Oil-Bearing Crops	01450	Olives	2.0%	2.5%	1.5%				
Roots, Tubers & Oil-Bearing Crops	01510	Potatoes	10.0%	12.0%	9.0%				
Other	01371	Almonds in shell	5.0%	5.0%	5.0%				
Other	02910	Natural honey							

6) COMPILE, MONITOR AND REPORT THE COUNTRY FOOD LOSS INDEX

The Country Food Loss Index (FLI) is a fixed-base weighted index (Laspeyres-type) widely used in official statistics:

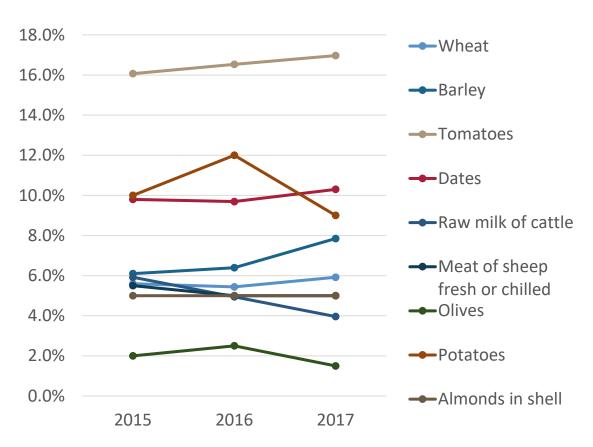
$$Food Loss Index (FLI) = \frac{Food loss percentage of the current year}{Food loss percentage of the base year}$$

$$FLI_{it} = \frac{FLP_{it}}{FLP_{it_0}} * 100$$

- The FLI measures trends in percentage losses over time, comparing a national average Food Loss Percentage (FLP) in the current year to the same percentage in the base year.
- A FLI < 100 means that a country has met the SDG target 12.3.1.a

6) COMPILE, MONITOR AND REPORT THE COUNTRY FOOD LOSS INDEX

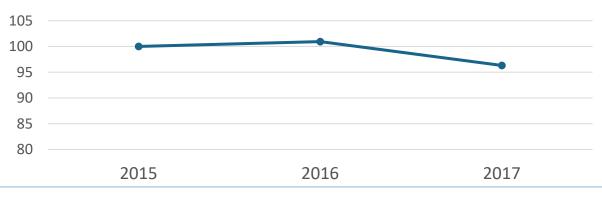
Commodity Food Loss Percentages *l_ijt* (Whole supply chain) for the selected commodities



Country Food Loss Percentage for all selected commodities (FLP_it) (weighting applied)



Country Food Loss Index (*FLI_it*) (base year applied)





Reporting of the SDG 12.3.1.a Food Loss Index



Global reporting of food losses

FAO coordinates the reporting process:

- Global reporting on SDG indicators should be primarily based on data and statistics produced by National Statistical Offices and the line ministry of Agriculture.
- FAO, as custodian of the SDG Sub-Indicator 12.3.1.a coordinates and integrates the reported country data to compile national, regional and global Food Loss Index.
- Global and regional FLI are aggregates of the national Food Loss Index/Food Loss Percentage.
- FAO is the custodian agency for SDG 12.3.1.a and therefore responsible to consult, integrate and report progress towards the target at the regional and global level

If no information is reported:

• In instances where no information is reported by the country, FAO provides modelled estimates at global, regional and sub-regional levels.

Dissemination:

• The results are published and disseminated in SDG reports on the SDG website.

FAO's Food Loss Index Reporting tool

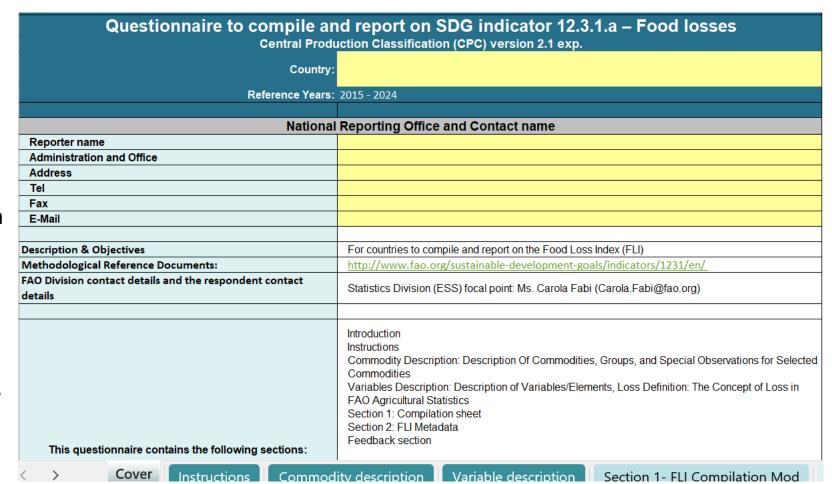
FAO developed a reporting questionnaire for SDG 12.3.1.a Food Loss Index

This questionnaire aims at allowing countries to report their available food loss data and Food Loss Index.

The questionnaire was piloted in 2023 in a 13 countries.

It has been further revised in 2024 based on feedback from the pilot countries.

It will be translated into various languages and sent out to all countries in 2025



FAO reporting for SDG 12.3.1.a

FAO Statistics Division

SDG 12.3.1 Reporting
Questionnaire to Countries
every year starting 2024



SDG Focal Points of the government that were assigned to FAO

- Decide on the information to report officially to the SDG
- Access the national food loss monitoring/ Request the information from the national data producers

- The reporting mechanism operates through national SDG framework and focal points
- Reporting on SDG indicators should be primarily based on data and statistics produced by NSO, MoA, and other line Ministries.
- Data generated by stage needs to be aggregated along the supply chain for the FLI compilation
- Data gaps that can be filled with modeled estimates, research literature, expert opinion, or other sources (usually using fixed percentage losses)
- A carry forward or carry backwards can be used for the years with missing data.

Different cases of reporting and monitoring SDG 12.3.1.a

First best: Countries report through SDG Reporting Questionnaire

Second best: Countries report losses in the Food Balance Sheets

Third best: FAO estimates losses with the Global Food Loss Estimation Model



1) Reporting through the SDG Reporting Questionnaire





Countries take decisions on how to monitor and report SDG 12.3.1.

Directly reporting towards SDG 12.3.1.a is highly recommended:

- Choose a more appropriate basket based on priorities of the country
- More clarity on the data sources and the interpretation of the resulting SDG Food Loss Index
- Better tailor the SDG to those crops and stages, where food loss reduction is an objective or possible

Decide on the data to be used:

- The country takes a decision on which data is more appropriate to use for monitoring losses
- It allows them to make use of different data sources (cost-efficiency)

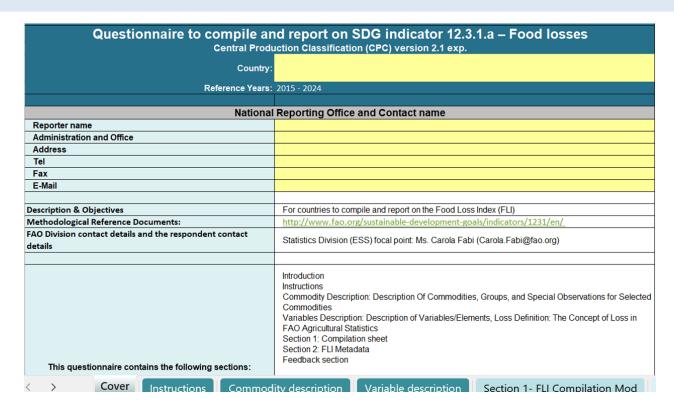
Decide on the frequency of the reporting:

 It allows the country to decide on the frequency they want to report towards SDG 12.3.1.a

FAO's Food Loss Index Compilation Tool

When measuring and monitoring losses:

- It is likely data is generated by supply chain stage – these need then to be aggregated along the supply chain for the SDG Food Loss Index
- There might be some data gaps that can be filled with modeled estimates, research literature, expert opinion, or other sources (usually using fixed percentage losses)
- Not all data might be available for all years and food loss percentages from other years might be carried forward or backwards



→ This tool is useful **to compile and report** and obtain the commodities food loss percentages and resulting FLP and FLI for different years



2) Food Balance Sheets and loss data reported to FAO in Agricultural Production Questionnaire





Food losses in FAO's in the Agricultural Production Questionnaires

FAO sends an annual Agricultural Production Questionnaires to the countries

- Well established data request that exists since many decades
- Countries report information on Availability and Utilizations of main commodities
- One of the Utilization concepts are loss quantities
- Countries report usually on the main commodities only

COMMODITY		ELEMENT		2014	2015	2016
		Food	t	4,461,000	4,570,000	4,721,000
		Seed	t	349,000	298,000	371,000
0111	Wheat	Feed	t			
		Loss	t	803,000	701,000	684,000
		Industrial Utilization	t			

Food Balance Sheets conceptual framework

The FBS is a time-referenced food accounting framework whereby supply equals utilisation (in quantities):

Total Supply = Total Utilization

 $Total Supply = Production + Imports - \Delta Stock$

 $Total\ Utilization = Food + Feed + Seed + LOSS + Industrial Use + Tourist\ Consumption + Residual\ Other\ Use + Imports$

China - 2013												Food Balance Sheet				
ltem			De	omestic Supp	ly				Domestic U	Itilisation				Per Capita	Supply	
	Pop.	Prod.	lmp.	Stock Var.	Exp.	Total	Food	Proc.	Feed	Seed	Losses	Oth. Use	1	otal	Prot.	Fat
	(1000 persons)					(1	(1000 tonnes)						Kg/Yr	KCal/Day	g/C	Day
Population	1,416,667															
Grand Total														3,108	98.04	95.87
Vegetal Products														2,382	58.4	37.1
Animal Products														726	39.64	58.77
Cereals - Excluding Beer		486,280	21,671	(14,349)	2,284	491,318	212,393	10,113	197,082	11,184	20,278	40,267	150	1,416	33.59	5.91
Wheat and products	9	121,931	7,572	(1,834)	713	126,956	89,386	317	26,694	4,600	3,010	2,948	63	546	17.4	2.9
Rice (Milled Equivalent)		136,873	2,714	(3,998)	565	135,024	109,725	12	12,117	4,679	6,406	2,085	77	797	14.47	2.68
Barley and products		1,699	2,528	(1)	615	3,611	235	3,091	30	49	200	7	0	1	0.03	0
Maize and products		218,624	7,407	(8,516)	252	217,262	9,618	6,693	153,802	1,651	10,295	35,203	.7	54	1.17	0.18



Use of the Food Balance Sheets to report SDG 12.3.1.a

- Food Balance Sheets might provide an alternative source of food loss data
- In general, it is accepted as an alternative data source to report towards the SDG 12.3.1
- Nevertheless, it might be that a monitoring of food loss reduction is limited. It depends on how the
 loss quantities are estimated in the FBS (as residual between supply and utilization, or as a fixed
 percentage, approximated by expert opinion, or from administrative registers)
- If not related to any data collection/loss assessment, it might be less suited to monitor progress towards SDG 12.3.1.a on Food Losses (quality of the data available for the accounts and estimation errors)
- The **information** is **not detailed enough** to provide any orientation to reduce food losses and design policies (no information about where losses happen and why)
- Losses in the Food Balance Sheet tend to **underestimate total losses** in the supply chain



3) FAO's Global Food Loss Estimation Model in case countries do not report any losses to FAO



The global food loss estimation model:

- The model uses all official available information, literature data and auxiliary variables
- It aims to provide food loss data while countries start to put data collection efforts in
 place and more good quality data on food losses becomes available → The model-based
 food loss estimates can serve as a placeholder
- For the model, a default basket of 10 commodities is chosen for the country (value of production)
- **Data scarcity is still a considerable** limitation: only regional and global estimates can be disseminated; it will not be used to monitor if a country has reduced their losses

 $LossRatio \sim Country + Product + Year + auxiliary variables$



Thank you very much!

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