

Correspondence with the Food and Agriculture Organization (FAO) of the United Nations regarding its falsified Australian sugar series

The following correspondence documents that the FAO has been publishing a falsified series for Australian sugar supply/consumption over the 2000s, since the ABS series (4306.0) was discontinued as unreliable after 1998-99. This falsified FAO sugar series forms the basis of the discredited *Australian Paradox* "finding" (Slides 21 and 22 at <http://www.australianparadox.com/pdf/22Slideshowaustraliangoestoparadoxcanberrafinal.pdf>)

As we'll see, the truth is that the FAO largely just reproduced the ABS series for the decades before 1998-99, and then essentially assumed "no change" for all of the 2000s (despite the A\$ doubling): "...it is calculated with following note: 'calc.on 37 kg.per cap. as per last available off. year level (1999)' The figure for 1999 and for earlier years [decades] come from; ABS - APP. CONS. OF FOODSTUFFS". (**LETTER 4**)

Yet the FAO's Director of Statistics in a December 2012 letter to me, below, claimed falsely:

We are not familiar with the methodology that ABS once used in deriving their apparent consumption statistics. But I can inform you about how FAO derives such statistics. Allow me to explain:

*We arrive at food availabilities from the balance of production, trade, stock changes and non-food uses. On trade, we account for the sugar content of all traded processed food products that contain sugar, and through appropriate conversion factors, the content is converted back into primary equivalents ... (**LETTER 6**)*

In summary, the FAO says it's doing something that clearly it is not doing. What it is doing is falsifying Australian sugar data, publishing that false information and putting a cloud over the integrity of FAO statistics in general.

LETTER 1

-----Original Message-----

From: rory robertson [mailto:strathburnstation@gmail.com]
Sent: 10 February 2012 17:26
To: Mayo, Robert (ESS)
Subject: quick question on basic australian sugar data

hello robert...i rang the equity line on friday afternoon from australia and one of your colleagues suggested i email you.

i wonder if you can help me please...i'm interested in the FAO's **annual data on australian "apparent consumption of sugar"**.

i have struggled to access the data on your website. i wonder please if are you able to provide me with the data?

if not, please are you able to point me to the original source?...are you able to confirm that the FAO sourced the data from the australian bureau of statistics, or which source?

anything you can provide by way of the various data series, or whatever you can tell me about the origins of the data would be great...thanks very much in advance and sorry to bug you...i just haven't been able to discover the answers off your very extensive website.

anyway,have a great weekend.

best wishes,
rory

--

rory robertson

LETTER 2

On Mon, Feb 13, 2012 at 7:13 PM, Mayo, Robert (ESS) <Robert.Mayo@fao.org> wrote:

Dear Rory,

The "apparent consumption of sugar" is not my domain of responsibility. I would refer you to Ms Moreno, to answer your query.

Best regards

Robert

LETTER 3

From: rory robertson [mailto:strathburnstation@gmail.com]

Sent: 13 February 2012 11:34

To: MorenoGarcia, Gladys (ESS)

Subject: Re: quick question on basic australian sugar data

hi ms moreno,

i'm assuming that FAO's annual australian sugar supply data came via the australian bureau of statistics until 1998-99, and then from some other source in australia...does that sound right?

anything you can provide in terms of the background, sources and the actual annual sugar data held in the FAO database for australia would be great.

thanks heaps,
rory

--
rory robertson

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Australia's leading provider of quality boarding-school educations for Aboriginal and
Torres Strait Islander teenagers. Check it out at <http://www.strathburn.com/yalari.php>

LETTER 4

From: **MorenoGarcia, Gladys (ESS)** <Gladys.MorenoGarcia@fao.org>

Date: Mon, Feb 13, 2012 at 9:43 PM

Subject: FW: quick question on basic australian sugar data

To: "strathburnstation@gmail.com" <strathburnstation@gmail.com>

Cc: "Rummukainen, Kari (ESS)" <Kari.Rummukainen@fao.org>

Dear Rory

The “apparent consumption” or better ‘food availability’ can be found under Faostat Food Supply or Food Balance Sheet domains up to year 2007.

Food supply

<http://faostat.fao.org/site/345/default.aspx>

Food balance sheet

<http://faostat.fao.org/site/354/default.aspx>

In the case of Australia I have looked at the time series and there is some food of Sugar & syrups nes and Sugar confectionary the biggest amounts are under Refined Sugar where data is with symbol * but it is calculated with following note:

‘calc.on 37 kg.per cap. as per last available off. year level (1999)’

The figure for 1999 and for earlier years come from; ABS - APP. CONS. OF FOODSTUFFS.

Regards

Gladys C. Moreno G.

Statistician

C-428

Statistics Division

Food and Agriculture Organization of the United Nations

? E-mail: Gladys.MorenoGarcia@fao.org

É Phone: 00 39 06 57052548

Fax: 00 39 06 57055615

<http://www.fao.org/economic/statistics>

LETTER 5

From: **rory robertson** <strathburnstation@gmail.com>

Date: Fri, Dec 14, 2012 at 5:31 PM

Subject: Integrity issue: Is the FAO simply "making up" Australian data, where real data do not exist? (If so, please replace with "Not available")

To: FAO-statistics@fao.org

Cc: Gladys.MorenoGarcia@fao.org, Robert.Mayo@fao.org, Denis.Drechsler@fao.org, Concepcion.Calpe@fao.org, Piero.Conforti@fao.org, Jelle.Bruinsma@fao.org, Josef.Schmidhuber@fao.org, Seth.Meyer@fao.org, Amy.Heyman@fao.org, Carlo.Cafiero@fao.org, Nathalie.Troubat@fao.org, Chiara.Brunelli@fao.org, Eve.Crowley@fao.org, Elisenda.Estruch@fao.org, Tsuji.Sachiko@fao.org, Karen.Frenken@fao.org, Eugenia.Serova@fao.org, Lorraine.Williams@fao.org, John.Ruane@fao.org, Andrea.Sonnino@fao.org, Modibo.Traore@fao.org, Adam.Prakash@fao.org, Matthieu.Stigler@fao.org, Filippo.Gheri@fao.org, Manoj.Juneja@fao.org, Jose.GrazianodaSilva@fao.org, FAO-HQ@fao.org, FAO-Newsroom@fao.org

Hello. My name is Rory Robertson.

I am an economist in Australia with an interest in (per capita) refined-sugar supply/consumption. This is a hot topic in Australian public health at present.

I am writing because I am interested in the veracity of the FAO sugar data for Australia, for the years since 1998-99.

I am concerned that the FAO may simply have been "making up" data where real data do not exist. That would be a mistake. And if that turns out to have been happening by accident, I think the FAO would agree that the only reasonable thing to do would be to remove the invalid made-up data from its website, and instead put the words "Not available" or "n.a." in the relevant cells in its datasets.

I apologise for the "scatter gun" approach to the distribution of this note. On the FAO's extensive website, I could not find anything identifying the FAO's management structure. The key issue for me is whether the FAO's published Australian sugar data are valid or invalid. Please forward this note to the relevant senior manager.

Measuring sugar supply/consumption for Australia - data sources

Perhaps I could outline my understanding of the underlying facts in this matter, after which the FAO could investigate and confirm or reject the idea that its Australian sugar data from 2000-2009 have simply been "made up" - and so are invalid - or not.

My understanding is that since the Australian Bureau of Statistics (ABS) discontinued its "Apparent consumption of foodstuffs" dataset (4306.0) after 1998-99, there are no valid data on Australian sugar/sucrose supply/availability/consumption. I can assure you that there are no official data in Australia.

Here is the final ABS publication

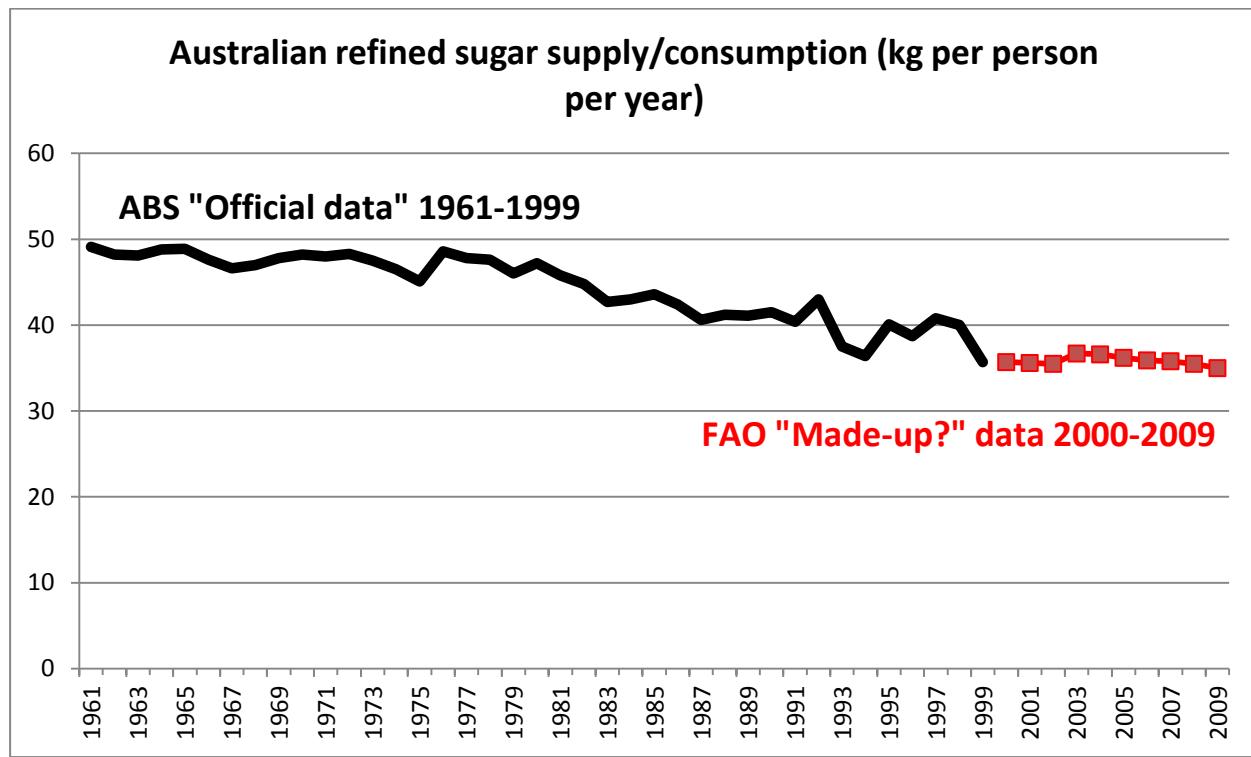
4306.0: [http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/3CDE7A3E9BEF68F3CA256982007E8CD6/\\$File/4306_1997-98%20and%201998-99.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/3CDE7A3E9BEF68F3CA256982007E8CD6/$File/4306_1997-98%20and%201998-99.pdf)

The final official commentary reads: "This drop is attributable to the drop in [apparent] consumption of total cane sugar which fell by 10.5% from 42.0 kg per capita in 1997–98 to **37.6 kg per capita in 1998–99**".

Notice the red word "**Ceased**" on the ABS's

website: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4306.01997-98%20and%201998-99?OpenDocument>

Yet, puzzlingly, the FAO has data in its spreadsheet out to 2009 (see chart and data series, below).



According to the FAO's website: "A food balance sheet presents a comprehensive picture of the pattern of a country's food supply during a specified reference period. The food balance sheet shows for each food item i.e. each primary commodity availability for human consumption which corresponds to the sources of supply and its utilisation. The total quantity of foodstuffs produced in a country **added to the total quantity imported** and adjusted to any change in stocks that may have occurred since the beginning of the reference period gives the supply available during that period".

For refined sugar for Australia, I note that the FAO's Ms Gladys Moreno Garcia earlier this year advised me that "the biggest amounts are under Refined Sugar where data is with symbol * but it is calculated with following note: '**calc.on 37 kg.per cap. as per last available off. year level (1999)**'

The figure for 1999 and for earlier years come from; ABS - APP. CONS. OF FOODSTUFFS." (email attached below)

Accordingly, my understanding is that the FAO in its Australian dataset for refined sugar mainly just reproduced the ABS data until 1999. And that is fine. But after that we have problems.

In particular, the FAO figure for 2000 - the first year after which there are no real/ABS data - is 35.7kg, and that is exactly the same figure as for 1999. And the rest of the decade involves similar figures, with minimal year-to-year volatility (chart).

To me, the series from 2000 looks like it has been "made up"on the basis of nothing much more than the ABS print for the year 1999 (chart).

Please correct me if I am wrong, but it seems that the FAO - instead of putting "not available" in the cells for the 2000s, as it should have - has guessed or "estimated" that the previous year's estimate was "close enough" and started producing its own sugar data for Australia on the basis of nothing or at least nothing valid. Is that correct, or am I wildly off the mark?

Why I suspect there can be no valid FAO sugar data for Australia after 1998-99

I would be happy to hear that the FAO's estimates for Australian sugar supply/availability are well based in fact. But I do not think that is possible. Let me quickly explain why.

For starters, supply/apparent consumption revolve around Production, (less) Exports, (plus) **Imports** (less "Leakages").

I note that - by definition - if one cannot reliably count imports of refined/added sugar, one cannot produce a reliable figure for the supply/apparent consumption of sugar.

Also I note that the Australian-dollar exchange rate against the US\$ has doubled - from 50 US cents to over 100 US cents - over the past decade, making all our imports much less expensive. Thus Australian manufactured food imports have grown rapidly; so too, the added/refined sugar within those food imports has risen rapidly. I explain the extremely difficult "counting" issues in much more detail below, and provide some hard evidence on sugary (not sugar) imports (see "UNDERSTANDING WHY THE ABS STOPPED COUNTING ADDED/REFINED SUGAR").

The bottom line, in my opinion, is that the FAO has no business publishing a data series for Australian showing sugar supply/consumption, because there are no valid data. The original source of the data - the ABS - gave up even pretending to count Australian sugar imports/supply/consumption over a decade ago. And yet the FAO is still publishing data on its website. I am interested, please, in hearing how that is a reasonable thing to do.

Where exactly do the readings for Australian sugar imports and supply come from, now that the ABS is out of game?

My suspicion is that the FAO's data for the 2000s simply are "made up" on the basis of nothing firm; the ABS has no ability to count sugar supply/consumption in Australia - because it has insufficient resources to count the grains of added sugar in tens of thousands of separate varieties of sugary imports - so the FAO cannot reliably - or even reasonably - pretend to have counted sugar imports/supply/consumption in Australia.

Where to next?

I wonder, please, if the FAO could investigate this matter with a sense of urgency. I think the evidence above is very clear. My guess as an outsider is that the FAO simply stumbled into the (bad) habit of "making up" the sugar data after the ABS stopped production. It perhaps didn't seem to be an unreasonable thing to do at the time.

But if what I suspect above is correct, then the false FAO information on Australian sugar represents a serious hole in the integrity of FAO's food-supply dataset. If what I have described above is indeed the basis of the FAO's Australian sugar data, then I suggest with all due respect that the FAO should remove the invalid made-up data from its website as soon as possible, to ensure that the underlying facts are not misrepresented by researchers who haplessly download the invalid data.

My strong sense is that "not available" or "n.a." is the appropriate information that should be placed in the FAO's datasets for Australian sugar for the years 2000 to 2009.

Please reply via email if you have any queries on this matter. Importantly, the relevant ABS contact person - and phone number: #61 2 6252 5337 - is nominated in the final paragraph of my (separate) discussion below.

Now, of course, I could be wrong. If I am wrong on this matter, I will be keen to apologise to the FAO for highlighting this issue. If I am wrong, I hope that the FAO is able, please, to explain to me why I am wrong. Please explain to me how Australia's official Statistician cannot provide a valid estimate for sugar supply/consumption per person - the ABS data series having been discontinued as unreliable after 1998-99 - yet the FAO somehow can produce and publish valid estimates.

Thanks for your time, and I look forward to any information the FAO can provide to me on the critical issue of the veracity of its published data.

Best wishes,
Rory

APPENDIX 1: FAO'S AUSTRALIAN SUGAR DATA

<http://faostat.fao.org/site/609/default.aspx#ancor>

Sugar,
Refined
Equiv
Jun-61 49.1
Jun-62 48.2

Jun-63	48.1
Jun-64	48.8
Jun-65	48.9
Jun-66	47.6
Jun-67	46.6
Jun-68	47
Jun-69	47.8
Jun-70	48.2
Jun-71	48
Jun-72	48.3
Jun-73	47.5
Jun-74	46.5
Jun-75	45.1
Jun-76	48.6
Jun-77	47.8
Jun-78	47.6
Jun-79	46
Jun-80	47.2
Jun-81	45.8
Jun-82	44.8
Jun-83	42.7
Jun-84	43
Jun-85	43.6
Jun-86	42.4
Jun-87	40.6
Jun-88	41.2
Jun-89	41.1
Jun-90	41.5
Jun-91	40.4
Jun-92	43
Jun-93	37.5
Jun-94	36.4
Jun-95	40.1
Jun-96	38.7
Jun-97	40.8
Jun-98	40
Jun-99	35.7
Jun-00	35.7
Jun-01	35.6
Jun-02	35.5
Jun-03	36.7
Jun-04	36.6
Jun-05	36.2
Jun-06	35.9
Jun-07	35.8
Jun-08	35.5
Jun-09	35

APPENDIX 2: UNDERSTANDING WHY THE ABS STOPPED COUNTING ADDED/REFINED SUGAR

Why did the ABS discontinue its apparent consumption of sugar series after 60 years? After all, discontinuing a data series after over half a century is rather unusual, especially when the information was getting more useful rather than less useful.

On that, it's worth noting again that data-collection agencies in Canberra today continue to publish apparent consumption data for easier-to-measure food and drink products, including beef, lamb, pork, chicken, butter, milk, cheese, beer and wine, but not much-harder-to-measure sugar.

Now, the ABS obviously didn't give up counting sugar after 1998-99 because it couldn't find any. Importantly, the ABS stopped publishing figures on sugar because there was a particular problem with the reliability of the sugar-counting methodology. As noted above, the ABS's measurement problems intensified over time as refined sugar went from being bought in bags from the local grocery store, to being bought already added to many thousands of varieties of manufactured/processed food and drink products.

The ABS chose to "bite the bullet" and discontinue ABS 4306.0 in part because it judged its sugar counts had understated the true figures, reflecting the growing difficulty in keeping track of the added sugar scattered throughout our food supply. How much added sugar did you eat last year? No idea? The core difficulty faced by the ABS in trying to quantify sugar consumption back then was broadly the same as that faced by those of us trying to avoid added sugar today: it's in places you almost wouldn't think to look.

Beyond counting the added-sugar content of imported softdrinks, fruit drinks, flavoured milk, sports drinks, energy drinks, canned fruits, vegetables and meats, soups, jams, pies, cakes, biscuits, buns, slices, muffins, chocolates, lollies, ice cream, and other desserts, the ABS also would have to be diligent counting the portions of sugar in myriad breads, pizza, muesli and other "health" bars, yoghurts, sauces, salad dressings, mayonnaises, baby or toddler foods, otherwise processed fruits, vegetables and meats, and other assorted manufactured food products, including especially breakfast cereals.

The ABS then would simply multiply the proportion of sugar in each product by the weight of each of those tens of thousands of varieties of product. After that, all it would need to do is multiply that amount of sugar in each particular variety of product by the total number sold of each of those tens of thousands of varieties. That's all!! I'm not sure many people have a clue how massive a task that would be.

As noted above, the ABS a decade ago simply abandoned the field after concluding a major feasibility study that suggested it was next to impossible - given likely resources - to accurately gauge the total amount of refined sugar already mixed into the tens of thousands of varieties of food and drink imports.

In particular, the ABS struggled to know how much added sugar was contained in the rapidly growing product varieties lumped into official groupings like bakery products, confectionery, soft-drinks, cordial and syrup, processed fruit and vegetables, and "other processed foods" (Page 17 of 189 at http://www.daff.gov.au/_data/assets/pdf_file/0011/1910819/food-stats2009-10.pdf).

As an example of the difficulty of the measurement issues involved, how much sugar, if any, should the ABS or anyone else assume is in the \$700m worth of "concentrates and beverage base" imported annually by one firm that sells sugary softdrinks and other beverages in Australia? (Note 32 and footnotes 3 and 4 on page 84 of 96 in <http://ccamatil.com/InvestorRelations/Documents/CCA%202010%20annual%20report.pdf>)

With a growing lack of confidence in its estimates of total sugar imports generated using its increasingly outdated, overwhelmed and unreliable counting methodologies - and lacking the prospect of ever having sufficient resources to produce reliable estimates in the future - the ABS eventually gave up even pretending to count, because it did not want to mislead the public with its increasingly unreliable sugar series.

It would be good if others had such reasonable concern for the quality of information in the public domain. In any case, as noted earlier, the ABS provides an information line on the cover page of its discontinued dataset - "For further information about these and related statistics, contact Karen Connaughton on Canberra 02 6252 5337" - for those keen to better understand why the ABS concluded that its sugar counting methodology had over the decades become increasingly outdated, overwhelmed and unreliable.

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rory robertson

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Australia's leading provider of quality boarding-school educations for Aboriginal and
Torres Strait Islander teenagers. Check it out at <http://www.strathburn.com/yalari.php>

LETTER 6

From: Gennari, Pietro (ESS) <Pietro.Gennari@fao.org>

Date: Sun, Dec 16, 2012 at 4:34 PM

Subject: Integrity issue: Is the FAO simply "making up" Australian data, where real data do not exist? (If so, please replace with "Not available")

To: "strathburnstation@gmail.com" <strathburnstation@gmail.com>

Cc: "MorenoGarcia, Gladys (ESS)" <Gladys.MorenoGarcia@fao.org>, "Mayo, Robert (ESS)" <Robert.Mayo@fao.org>, "Drechsler, Denis (EST)" <Denis.Drechsler@fao.org>, "Calpe, Concepcion (EST)" <Concepcion.Calpe@fao.org>, "Conforti, Piero (ESA)" <Piero.Conforti@fao.org>, "Bruinsma, Jelle (ESA)" <Jelle.Bruinsma@fao.org>, "Schmidhuber, Josef (ESS)" <Josef.Schmidhuber@fao.org>, "Meyer, Seth (ESA)" <Seth.Meyer@fao.org>, "Heyman, Amy (ESS)" <Amy.Heyman@fao.org>, "Cafiero, Carlo (ESS)" <Carlo.Cafiero@fao.org>, "Troubat, Nathalie (ESS)" <Nathalie.Troubat@fao.org>, "Brunelli, Chiara (ESS)" <Chiara.Brunelli@fao.org>, "Crowley, Eve (ESW)" <Eve.Crowley@fao.org>, "Estruch, Elisenda (ESW)" <Elisenda.Estruch@fao.org>, "Frenken, Karen (NRL)" <Karen.Frenken@fao.org>, "Serova, Eugenia (TCID)" <Eugenia.Serova@fao.org>, "Ruane, John (OEKR)" <John.Ruane@fao.org>, "Sonnino, Andrea (OEKR)" <Andrea.Sonnino@fao.org>, "Traore, Modibo (AGD)" <Modibo.Traore@fao.org>, "Prakash, Adam (ESS)" <Adam.Prakash@fao.org>, "Stigler, Matthieu (ESS)" <Matthieu.Stigler@fao.org>, "Gheri, Filippo (ESS)" <Filippo.Gheri@fao.org>, "Juneja, Manoj (DDO)" <Manoj.Juneja@fao.org>, "GrazianoDaSilva, Jose (ODG)" <Jose.GrazianoDaSilva@fao.org>, FAO-Newsroom <FAO-Newsroom@fao.org>, FAO-HQ <FAO-HQ@fao.org>, "Tsuji, Sachiko (FIPS)" <Sachiko.Tsuji@fao.org>

Dear Mr. Robertson,

Thank you for your email. For decades FAO has been compiling food balance sheets, using a methodological framework that allows for the comparability of trends in food availabilities over time and geography. The notion of "apparent consumption", which must never be confused with actual food intake, is central to the philosophy of food balance sheets. I think you accept this point. However, there might be confusion over methodologies. We are not familiar with the methodology that ABS once used in deriving their apparent consumption statistics. But I can inform you about how FAO derives such statistics. Allow me to explain:

We arrive at food availabilities from the balance of production, trade, stock changes and non-food uses. On trade, we account for the sugar content of all traded processed food products that contain sugar, and through appropriate conversion factors, the content is converted back into primary equivalents (note we have two types, i.e. raw sugar, non-centrifugal sugar). This is not only done for sugar, but for all products in our food balance sheets. This procedure, known as "standardization", is well documented in the literature. Of course, some elements of the balance are subject to imputation (a standard practice adopted by both national and international statistical agencies in all data domains), and for this reason we qualify the statistics as being "estimates".

Finally, allow me to address a number of issues that go beyond the limits of technical questions and accuracy of data for sugar consumption:

- . In compiling statistical data at FAO in general, and the Food Balance Sheets in particular, we adhere to internationally accepted standards. Our methodology is transparent, tested and peer-reviewed; it is applied by many of our member countries, research institutions and other international organizations. We find any accusations of data manipulation unacceptable.
- . As all other international organizations, we are not simply publishing data provided to us by national authorities. Instead, we have a role in providing comparable and unbiased information across countries, particularly when national information is not available or is unreliable. This is a service that is expected and demanded from us by data users around the world and by the international community.
- . We stand ready to correct any information published on our website as soon as an error is spotted. No error has been highlighted in your email.
- . Discussions on FAO dissemination policy of national data are regularly held with national authorities. Please contact ABS to verify whether they agree with your proposal of having Australian data removed from our website.

Regards,

Pietro Gennari
Director
FAO Statistics Division
Via delle Terme di Caracalla, 00153 Rome, Italy
Phone: (+39) 0657053599
Mobile : (+39) 3453628502
E-mail: pietro.gennari@fao.org

LETTER 7

----- Forwarded message -----

From: **rory robertson** <strathburnstation@gmail.com>

Date: Wed, Dec 19, 2012 at 10:00 PM

Subject: fyi: FAO embarrasses itself with nonsense-based Australian sugar "estimates" for 2000-2009

To: "Gennari, Pietro (ESS)" <Pietro.Gennari@fao.org>

Cc: "MorenoGarcia, Gladys (ESS)" <Gladys.MorenoGarcia@fao.org>, "Mayo, Robert (ESS)" <Robert.Mayo@fao.org>, "Drechsler, Denis (EST)" <Denis.Drechsler@fao.org>, "Calpe, Concepcion (EST)" <Concepcion.Calpe@fao.org>, "Conforti, Piero (ESA)" <Piero.Conforti@fao.org>, "Bruinsma, Jelle (ESA)" <Jelle.Bruinsma@fao.org>, "Schmidhuber, Josef (ESS)" <Josef.Schmidhuber@fao.org>, "Meyer, Seth (ESA)" <Seth.Meyer@fao.org>, "Heyman, Amy (ESS)" <Amy.Heyman@fao.org>, "Cafiero, Carlo (ESS)" <Carlo.Cafiero@fao.org>, "Troubat, Nathalie (ESS)" <Nathalie.Troubat@fao.org>, "Brunelli, Chiara (ESS)" <Chiara.Brunelli@fao.org>, "Crowley, Eve (ESW)" <Eve.Crowley@fao.org>, "Estruch, Elisenda (ESW)" <Elisenda.Estruch@fao.org>, "Frenken, Karen (NRL)" <Karen.Frenken@fao.org>, "Serova, Eugenia (TCID)" <Eugenia.Serova@fao.org>, "Ruane, John (OEKR)" <John.Ruane@fao.org>, "Sonnino, Andrea (OEKR)" <Andrea.Sonnino@fao.org>, "Traore, Modibo (AGD)" <Modibo.Traore@fao.org>, "Prakash, Adam (ESS)" <Adam.Prakash@fao.org>, "Stigler, Matthieu (ESS)" <Matthieu.Stigler@fao.org>, "Gheri, Filippo (ESS)" <Filippo.Gheri@fao.org>, "Juneja, Manoj (DDO)" <Manoj.Juneja@fao.org>, "GrazianoDaSilva, Jose (ODG)" <Jose.GrazianoDaSilva@fao.org>, FAO-Newsroom <FAO-Newsroom@fao.org>, FAO-HQ <FAO-HQ@fao.org>, "Tsuji, Sachiko (FIPS)" <Sachiko.Tsuji@fao.org>, annadoria.antonazzo@fao.org, Dominique.vanderMensbrugghe@fao.org

Hello (Buon giorno!),

For those interested, please refer to the attached PDF document.

Regards,

Rory

**Rory Robertson, economist
Sydney, AUSTRALIA, Wednesday 19 December 2012**

Integrity issue: Is the FAO simply "making up" Australian sugar data, where real data do not exist? (If so, please replace with "Not available")

Thanks, Mr Gennari, for your prompt response over the weekend (below) to my Friday email (below).

I must say I was surprised when I read your response. In fact, I was shocked. In particular, I found it disturbing that you wrote, "We [the FAO?] are not familiar with the methodology that [the] ABS once used in deriving their apparent consumption statistics", and suggested the FAO sugar series has nothing to do with the ABS series.

Some facts on the FAO and ABS sugar data

The reason I was shocked and disturbed by that claim is because it obviously is false. It obviously is false for two reasons. First, in my February correspondence with the FAO – as I noted on Friday - Ms Gladys Moreno Garcia informed me as follows:

*In the case of Australia I have looked at the [FAO] time series and there is some food of Sugar & syrups nes and Sugar confectionary [however] the biggest amounts are under Refined Sugar where data is with symbol * but it is calculated with following note: 'calc.on 37 kg.per cap. as per last available off. year level (1999)'*

The figure for 1999 and for earlier years come from; ABS - APP. CONS. OF FOODSTUFFS. (Email below.)

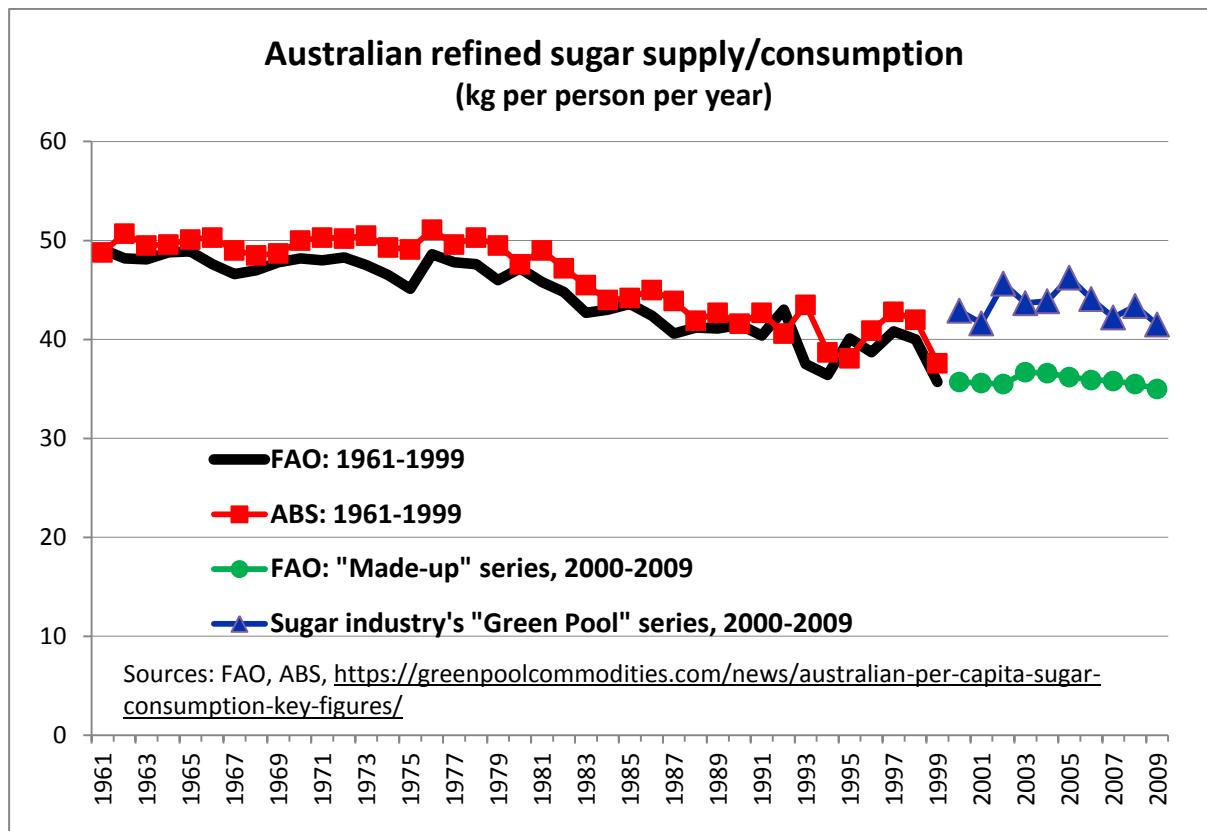
Unless I was misinformed back then (I wasn't), the ABS sugar series in fact formed the basis of the FAO sugar series for Australia for decades, as one would expect, until the former was discontinued as unreliable after 1998-99. After that - from 2000 to 2009 - I strongly suspect the FAO series is based on nothing very credible.

Second, that strong link between the ABS and FAO measures – the latter derived from a starting point that was the former? – can be seen clearly in the chart below. And, yes, the FAO's "methodology" looks to have been

"fine-tuned" after new annual ABS readings no longer were available, after 1998-99. Indeed, as suggested above, readings in the 2000s seem anchored under 37 kg.per cap. as per last available off. year level (1999).

Notably, the average variability of year-to-year movements in the ABS and FAO measures were very similar over the period 1960 to 1999. Once published ABS updates no longer were available, however, the variability of the FAO's "Made up" series collapsed, whereas the volatility of a competing "Green Pool" series did not (chart). (The calculation of the sugar industry's Green Pool series largely mimics the ABS's abandoned methodology.)

Mr Gennari, these various facts – taken together – obviously speak for themselves.



As I suggested on Friday, the main influence on the FAO's "Made-up" series over 2000-2009 appears to be that final (low) reading before the ABS abandoned production. Most obviously, the first post-ABS FAO reading - for 2000 at 35.7kg - is exactly the same as the reading for 1999. Moreover, the FAO's average of 35.85kg for the 2000s is only a cat's whisker above that (dominating) 1999 reading.

Accordingly, Mr Gennari, it is far from unreasonable for well-informed outside observers to assume that the FAO has indeed been "making up" the Australian data since the year 2000, or - to use your term - "imputing" results based on nothing much beyond that (mismeasured) all-time low for the ABS series in 1998-99 (immediately after which the ABS series was discontinued as unreliable). **The explicit calculation rule looks to be as simple as: "37 kg.per cap. as per last available off. year level (1999)" minus "something small but not very wiggly".**

Just so that we all are clear, let's take stock of the situation:

- Mr Gennari claimed: "We [the FAO?] are not familiar with the methodology that ABS once used in deriving their apparent consumption statistics", going on to explain that the FAO takes a rather sophisticated approach to independently measuring Australia's sugar supply.
- Yet Ms Gladys Moreno Garcia back in February explained clearly the real situation: "... it is calculated with following note: 'calc.on 37 kg.per cap. as per last available off. year level (1999)' The figure for 1999 and for earlier years come from; ABS - APP. CONS. OF FOODSTUFFS".
- And the chart shows clearly that the ABS and FAO series were "peas in a pod", until the ABS series was discontinued as unreliable. The FAO's "methodology" then began producing flat results near 36kg, when a competing series based on the ABS's methodology produced much higher readings (see next section).

Mr Gennari, the FAO's made-up estimates for Australia over 2000-2009 are ridiculously low in quality; they are clownish and unacceptable. So obviously lacking in credibility, they should never have been

published. Of course, even the ABS was unable to reliably count sugar imports – without a sizeable increase in resources – so the FAO was never going to produce reliable estimates of sugar imports and total sugar supply.

Please accept that I was not trying to catch the FAO out in this exchange. (You cannot blame me for taking advantage of the big free kick I was offered.) I'm actually a great friend and admirer of smart and hard-working public officials, including the great many at the FAO. In this matter, I actually was/am trying to do the FAO a favour. And while I have to admit that I am a nobody in this space, I would claim to be a well-informed nobody.

An important observation is that there is a **growing controversy** about the role of modern sugar consumption as a driver of global obesity and diabetes (http://www.nytimes.com/2011/04/17/magazine/mag-17Sugar-t.html?pagewanted=all&_r=0). One of the key problems is that too much of the information in this public debate is unreliable. I am urging the FAO to be extremely cautious about adding further to that misinformation.

The information on sugar supply/consumption in the public debate is particularly fraught:

- First, the task boils down to counting not bags of sugar but grains/grams of added sugar scattered across tens of thousands of particular varieties of food and drink imports. As I suggested on Friday, sugar imports were a growing part of the Australian food supply in the 2000s, boosted significantly by the downward pressure on prices via the doubling of the A\$ exchange rate in the decade (Page 17 of 189 at http://www.daff.gov.au/_data/assets/pdf_file/0011/1910819/food-stats2009-10.pdf).
- A second reason why the FAO should be very careful about continuing to publish unreliable sugar estimates is because there is an ugly history of misinformation in the sugar space. This history has nothing to do with the FAO, but it should run a mile rather than be caught up in the controversy. The ugly history here is that “Big Sugar” globally has been a determined menace when it comes to misleading science on the links between sugar consumption and public health (<http://www.motherjones.com/environment/2012/10/sugar-industry-lies-campaign>).
- **From an Australian perspective, the good news is that the ABS has absolutely clean hands in this matter.** Over a decade ago, it took the correct view that it was not going to keep publishing data when the quality of the data was known to be poor. That's why there is a red “Ceased” near the top of the following website: <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4306.0>

A big problem for the FAO seems to be that the public desire for reliable data on the many components of our food supply exceeds the ABS's and the FAO's ability and resources to produce reliable estimates. Mr Gennari, in your email you highlighted that pressure to publish: “...we have a role in providing comparable and unbiased information across countries, particularly when national information is not available or is unreliable. This is a service that is expected and demanded from us by data users around the world and by the international community”.

Yes, everyone wants reliable estimates, but simply publishing *unreliable* estimates is not an acceptable substitute. If there are no reliable estimates, then the FAO should say “there are no reliable estimates”; it should write “Not available” in the relevant empty spaces. The FAO should stop allowing itself to be dragged into the credibility-killing trap of publishing unreliable estimates.

To add a Christmas flavour to this discussion, my 5-year and 7-year-old sons both like the idea of Santa Claus. Down the track, however, when ultimately they realise he is a made-up figure (right?), then, as their Dad, to remain credible, I must quickly concede that, yes, Santa is a made-up figure. Similarly, it's fine for the FAO to make a rare mistake in publishing poor-quality data - after yielding to pressure to keep publishing even after the ABS stopped providing a basis for credible estimates – but it would be unreasonable to keep doing so once well-informed outsiders had highlighted the obvious and insurmountable problems with the data. The credibility of both Dads and the FAO is at risk if we start saying seriously in public – and believing it - that Santa Claus is real.

Australian sugar industry's “shonky sugar series”

Again, the FAO should run a mile from the business of publishing unreliable data. Leave that to others. For example, here is a “new” Green Pool dataset commissioned, funded and “framed” by the Australian sugar industry, explicitly featuring the ABS's overwhelmed and abandoned sugar-counting methodology:

<https://greenpoolcommodities.com/news/australian-per-capita-sugar-consumption-key-figures/>

Try as it did to “frame” the counting approach to get **low** “estimates”, the sugar industry's apparent consumption estimates averaged near 43kg per person per year over 2000-2009, some 20% above FAO's decade average. Of course, the sugar industry's “updated” sugar series is invalid because the 60-year-old ABS counting

methodology was abandoned as unreliable by the ABS after 1998-99, after 60 years. Clearly, the sugar industry sent Green Pool Commodity Specialists on a fool's errand: "...publish an updated set of statistics on sugar consumption in Australia using [abandoned] ABS methodology".

That is, Green Pool's update relied on the same broken counting methodologies that the ABS had judged were unreliable: "Virtually all factors have largely been left as per ABS calculation, since an update of all data would require a large scale study of both the composition of imports of food into Australia and representative food compositional data for imports and exports of all categories - which is no longer collected by ABS".

Yes, the sugar industry is happy to pretend that the dead and abandoned ABS series was "just resting", "stunned", "tired and shagged out" or "pining for the fjords": the sugar industry has "cleverly" sought to nail the ABS "Dead Parrot" sugar series back onto its perch. It's been fun to watch, but I reckon Monty Python did the Dead Parrot farce better, in its original 1969 version: <http://www.youtube.com/watch?v=C1rBMt4eiRk>

Coming to terms with the fact that there is no reliable measure of Australian sugar supply/consumption

Yes, the "Green Pool" estimates are a joke. And, for what it is worth, my advice is that the FAO should get out of the business of producing competing joke estimates. My guess is that the ABS routinely underestimated sugar consumption in the decades before its sugar series was discontinued as unreliable after 1998-99, so the FAO figures for the 2000s would need to be boosted by perhaps 20-50% to properly reflect reality. Of course, that is only my "estimate". Unfortunately, there are no obviously more-reliable estimates available, either from the ABS (which stopped even pretending to count), Green Pool or the FAO.

An important fact that highlights the particular problems in measuring the added sugar across our food supply is the fact that statistical entities in Canberra **still publish figures for easier-to-measure** food and drink products, including beef, lamb, pork, poultry, butter, milk, cheese, beer and wine, but not for much-harder-to-measure refined sugar (see p 55, http://www.daff.gov.au/_data/assets/pdf_file/0011/1910819/food-stats2009-10.pdf and <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4307.0.55.001/>).

In short, the ABS's - and so the FAO's - measurement problems with refined sugar intensified over the decades as refined sugar went from being bought in bags at the grocery store to being bought already added to tens of thousands of varieties of manufactured food and drink imports.

Mr Gennari, while the FAO seems uncertain on the ABS's views regarding the FAO's publication of Australian sugar data, for me the fact that the ABS decided over a decade ago that it did not have the resources to publish a reliable sugar series tells us most of what we need to know about the FAO's always-unreliable sugar series. I'm surprised that the FAO did not pick up on that obvious signal, particularly after it surely agonised before publishing a notably unchanged 35.7kg reading for 1999 – the first unchanged reading in four decades, the first year after the ABS's annual update disappeared.

The fact that the FAO is unable to produce credible readings for Australian sugar supply - especially after 1998-99 - is nothing to be ashamed of. No-one can, given limited resources. There probably haven't been reliable estimates for decades and there probably will never be reliable estimates again, in my opinion. End of story.

That is, the FAO should embrace the reality that measuring grains of sugar already added to tens of thousands of separate varieties of imported foods and drinks is virtually impossible. Once it has accepted that fact, it may choose to remove its "Made-up" readings for 2000-2009 from its website, replacing them with a simple, honest "Not available" or "n.a.". Users could happily accept the lack of data if the facts were explained in a footnote.

Of course, if the FAO thinks that it somehow is doing a good job in producing reliable estimates of the grains of sugar added across the Australian food supply, then please forward to me the spreadsheets detailing the FAO's firm figures on the **sugar content (%), weight (grams), and total Australian sales (units)** of the tens of thousands of varieties of food and drink **imports**. On top of all those final products, I'll be interested to see how the FAO deals with intermediate products, and particularly whether it deals credibly with the sugar content of that \$700m worth of "concentrates and beverage base" imported annually by a single firm (see Friday's email).

As we all now know, without a credible figure for aggregate (added) sugar imports, there can be no credible figure for total sugar supply. And we also know for sure that no-one in Australia has anything like credible figures because, as Green Pool noted, "an update of all data would require a large scale study of both the composition of imports of food into Australia and representative food compositional data for imports and exports of all categories - which is no longer collected by ABS".

Given that the FAO is part of the United Nations - which in turn has core jobs like helping the starving children of Africa – it was never going to have diverted the significant resources required in order to credibly count total refined (added) sugar in Australia's food supply. Nor should it. But since the FAO simply does not have the resources to produce *credible* estimates of Australia's sugar supply, it should stop pretending that it does. When the ABS stopped publishing its sugar series, the FAO should, in my opinion, have started writing “Not available” in its spreadsheets.

As I noted, there is growing evidence on the role of added sugar as a driver of global obesity and diabetes. And the controversy surrounding added sugar is intensifying rather than subsiding. Now that the FAO is more aware of the problems with its Australian sugar data, its leaders should sit down and have a grown-up discussion about its obvious lack of ability to count the sugar added here, there and everywhere across the Australian food supply.

If the national specialist – the ABS - felt it could not do the job of counting the added sugar in Australia's food supply properly without a large infusion of resources - as it decided over a decade ago - then why does the FAO think it is reasonable to pretend that it can do the job properly? In my opinion, the FAO would be well-advised to stop publishing unreliable data.

Mr Gennari, I have made my point, so thank you for your time. In conclusion, I note that the ABS has retained its integrity in the growing public-health debate involving sugar in part because it judged correctly that counting (added) sugar is extremely difficult, and so stopped even pretending to have reliable estimates. The FAO should get smart and follow that lead, in my opinion. Whether it does or not, however, is no skin off my nose. The facts will remain the facts. It's up to the FAO whether or not it wants to rescue its credibility on Australian sugar data.

In any case, it would make sense for any further FAO response on this matter to balance speed with accuracy. Accordingly, I encourage the Statistics department to take the time to look carefully at this matter. Please start the process in the New Year by reading this document again. After that, any list of key things to do might include a discussion with the relevant ABS officials, a conversation that can be initiated by ringing the ABS phone number highlighted in my previous email (below). Or the FAO could save time and effort by **simply junking the nonsense-based figures** for 2000-2009 that it has masquerading as Australian sugar supply “estimates”.

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rory robertson

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strathburnstation@gmail.com