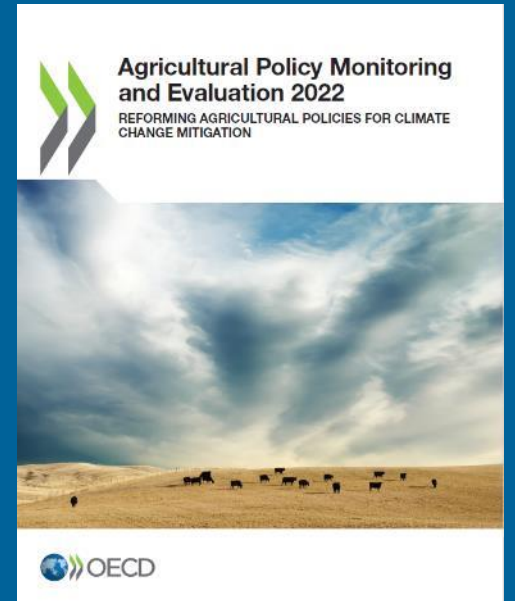




OECD Agricultural Policy Monitoring and Evaluation 2022

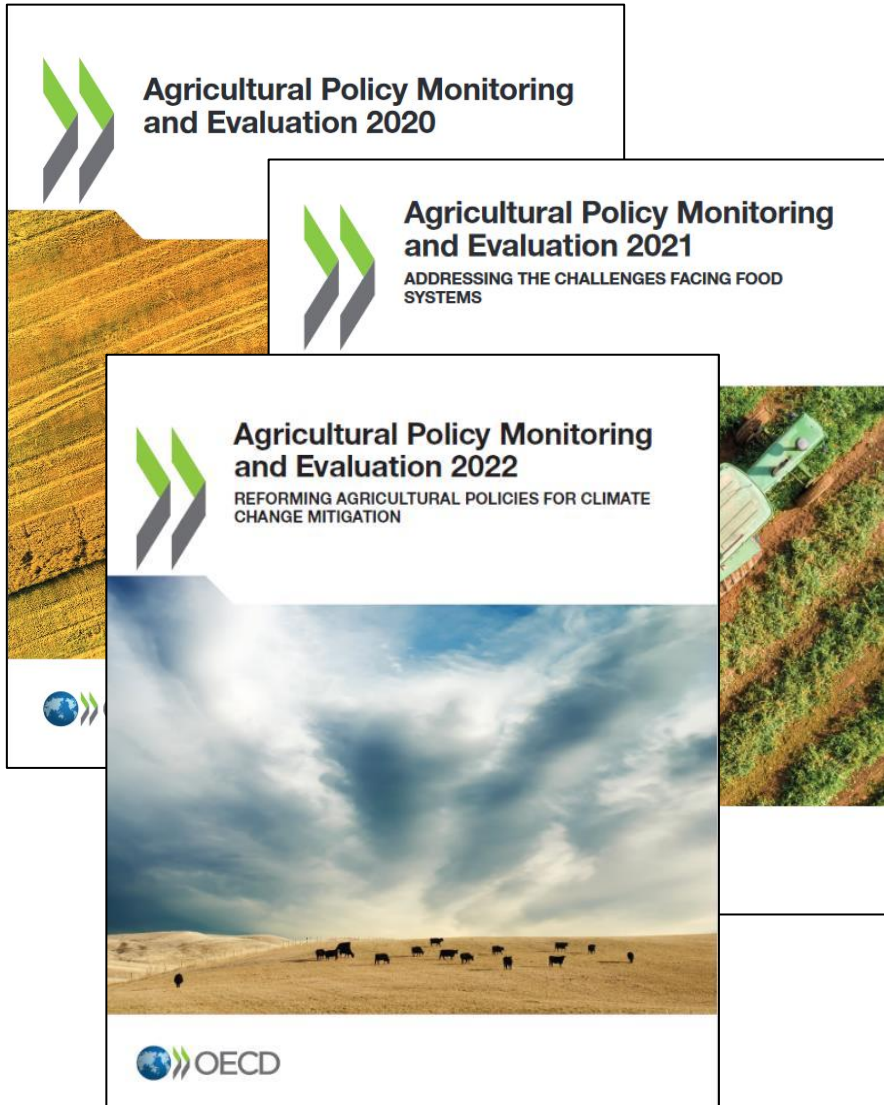
WTO Meeting of the Committee on Agriculture –
Thematic Seminars
30 March 2023

Lee Ann Jackson
Head of the Agro-Food Trade and Markets Division
OECD Trade and Agriculture Directorate





OECD Agricultural Policy Monitoring and Evaluation



- ▶ **Annual report providing**

- ▶ A qualitative description of agricultural policy changes across the world
- ▶ A quantitative estimation of public support to agriculture for producer (PSE), consumer (CSE) and general services

- ▶ **54 countries covered (OECD + EU + 11 emerging countries)**

- ▶ **2022 edition: Focus on climate change mitigation**

Report available on oe.cd/monitoring



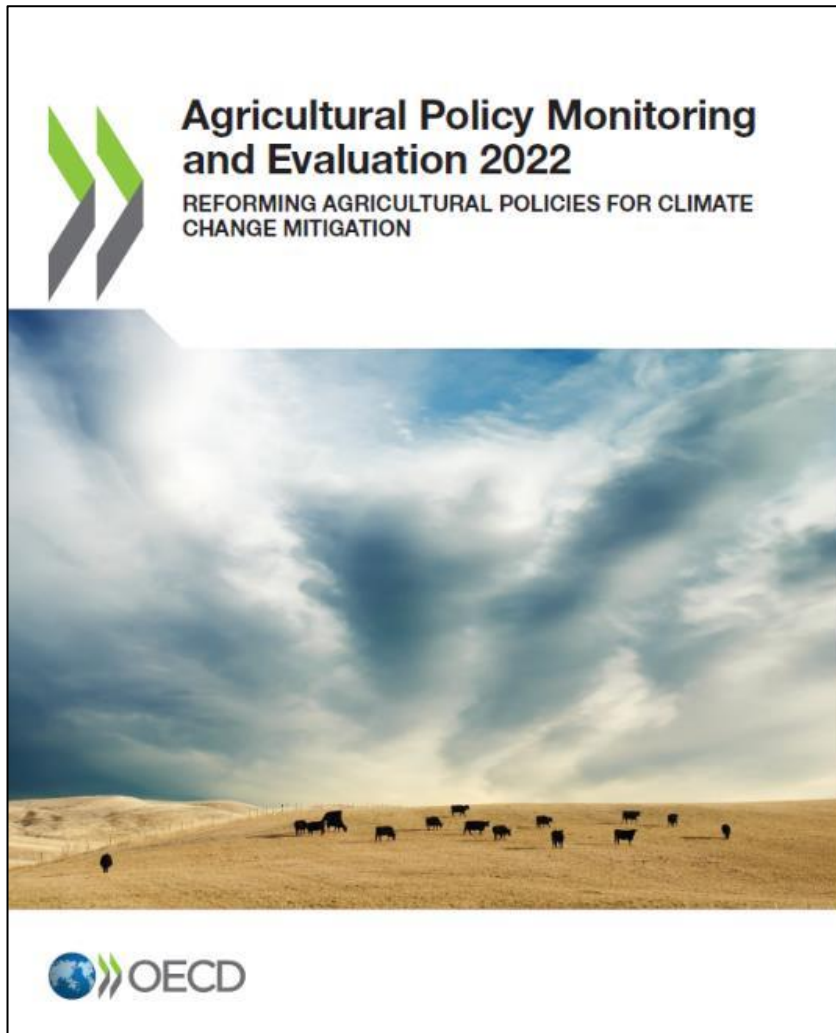
OECD and WTO: Different systems for measuring support

	OECD	WTO
<i>Purpose</i>	Facilitate policy dialogue	Evaluate observance of trade agreements
<i>Method</i>	Measure <ul style="list-style-type: none">• Support to sector• Based on criteria related to program implementation	Measure <ul style="list-style-type: none">• Trade-distorting support• Based on negotiated criteria
<i>Outcomes</i>	Comparative monitoring and evaluation report <ul style="list-style-type: none">• Assess policy reform progress• Research database	Annual notifications <ul style="list-style-type: none">• Assess adherence to maximum support commitments



Key findings

“Short-term agricultural policy responses to global crises must simultaneously address current challenges and support reforms to combat climate change and distortions in international markets”

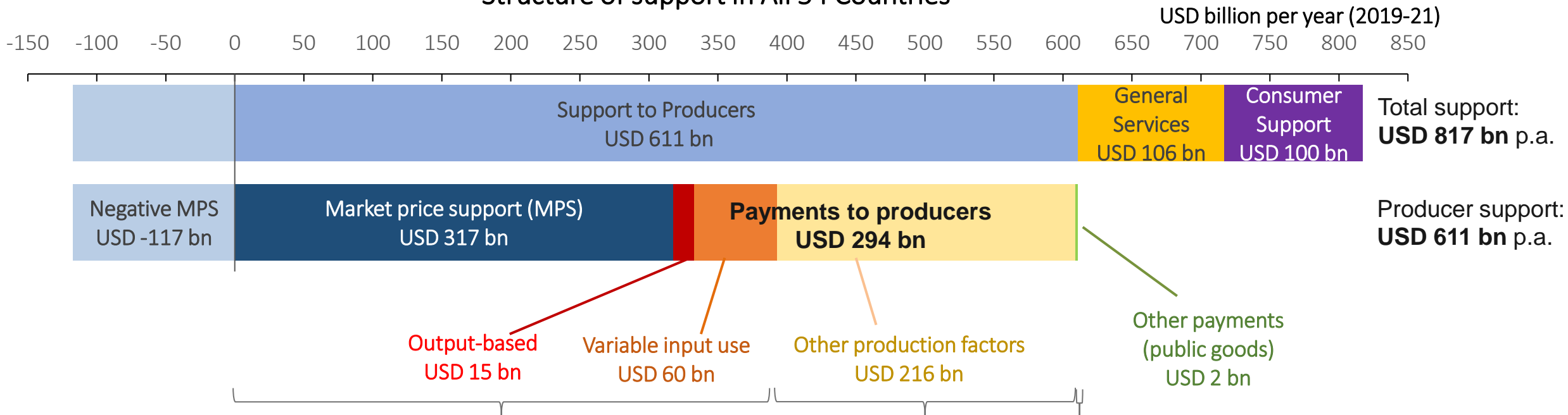


- ▶ **Strong increase in support recently, largely driven by temporary factors**
- ▶ **Policy responses to short- to medium-term crises**
- ▶ **Reforms needed to address longer-term challenges**
 - Climate change, market distortions, food systems triple challenge
- ▶ **Complex challenge faced by agriculture related to climate change**
 - Vulnerability to climate effects, source of GHG emissions, potential for carbon sequestration
- ▶ **More ambition needed for agricultural GHG mitigation**
- ▶ **Call for a six-point policy agenda**



Most agricultural support is provided to individual producers – often in ways that distort markets and trade

Structure of support in All 54 Countries



Most distortive forms of producer support

- ▶ Encourages local expansion of production and intensification
- ▶ USD 74 billion public expenditures highly distortive and potentially environmentally harmful (excludes input support with constraints)

Less distortive

- ▶ Generally, less coupled to production and GHG emissions
- ▶ May be linked to environmental requirements (“cross compliance”)

Non-distortive

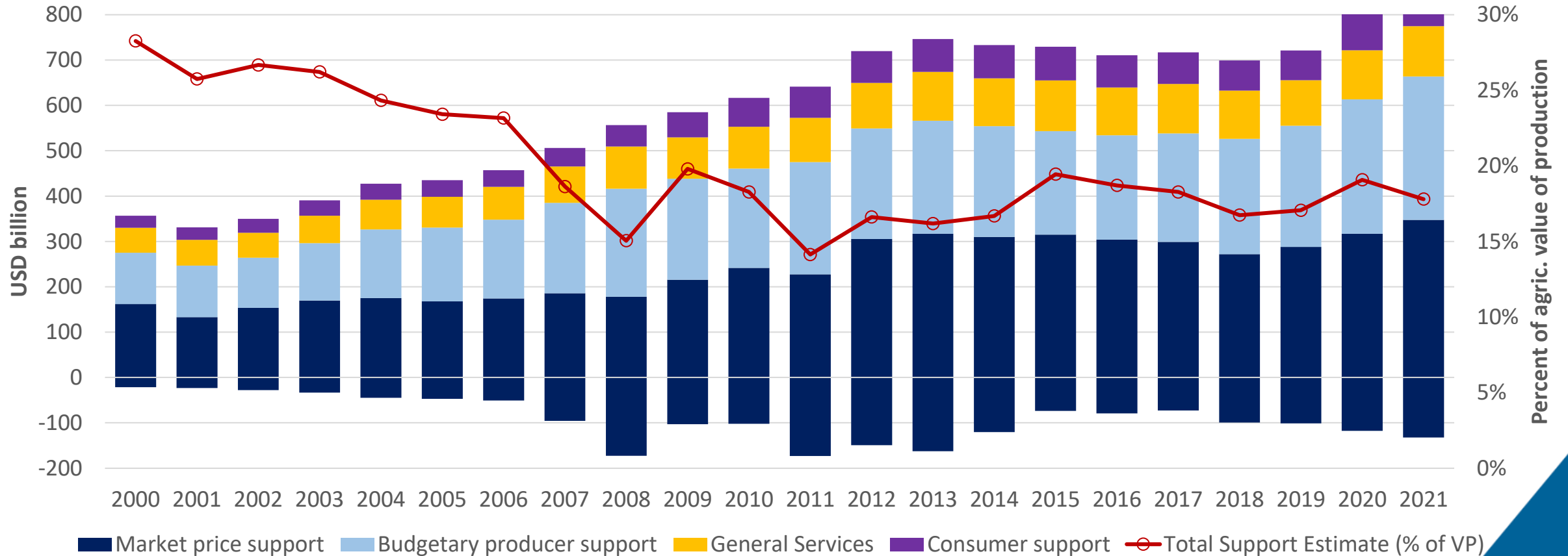
- ▶ Not tied to specific agricultural production
- ▶ E.g. environmental public goods such as ecosystem services



After stagnating over the past decade, support rebounded in 2019-21

► Total Support Estimate (%VP) declined from 27% in 2000-02 to 18% in 2019-21

Total support to agriculture, 54 countries

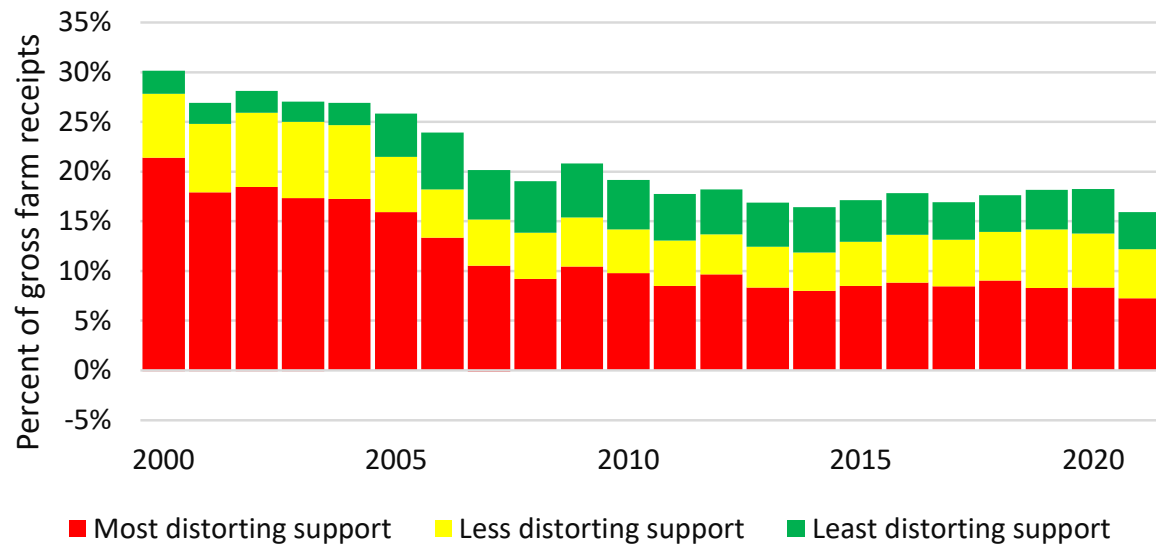




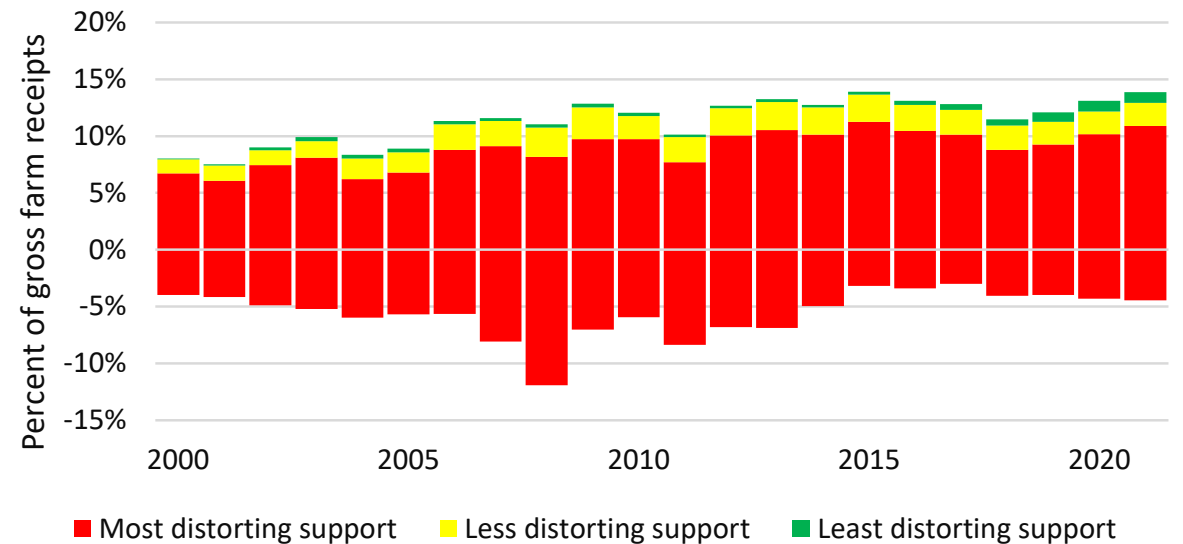
Reforms in OECD countries have reduced and restructured support – until the early 2010s

- ▶ While OECD reforms have stalled, support in major emerging economies increased

Agricultural producer support relative to gross farm receipts: OECD



Agricultural producer support relative to gross farm receipts: 11 Emerging Economies

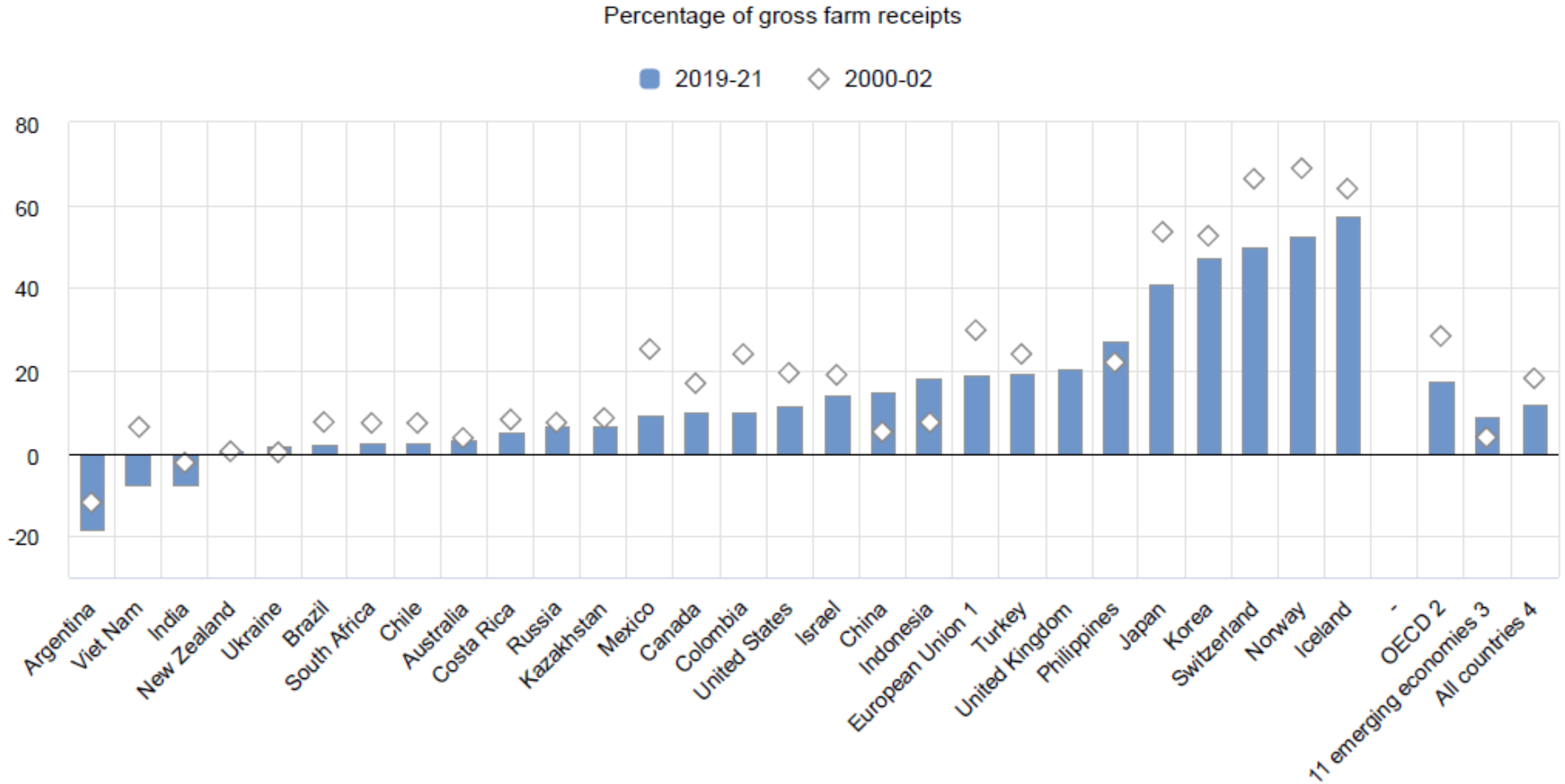


- ▶ Across OECD, producer support declined from 28% of GFR in 2000-02 to 18% in 2010-12 and stayed there since
- ▶ Re-instrumentalisation made least distorting measures more prominent

- ▶ Support in key emerging economies has risen while negative MPS peaked around 2010
- ▶ Continued dominance of most distorting measures

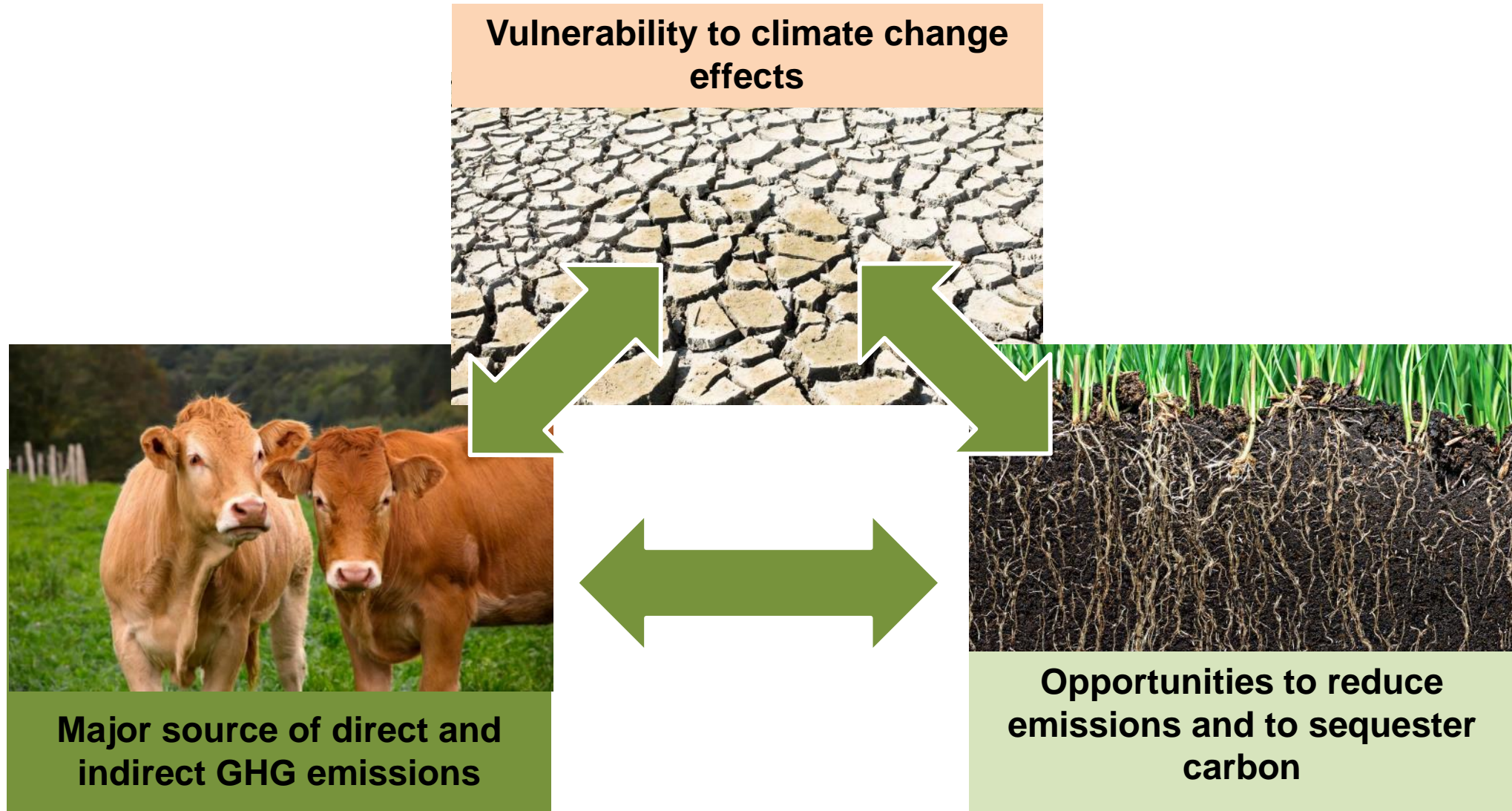


Producer Support Estimate: in some countries, between 40% and 60% of gross farm receipts are policy-induced





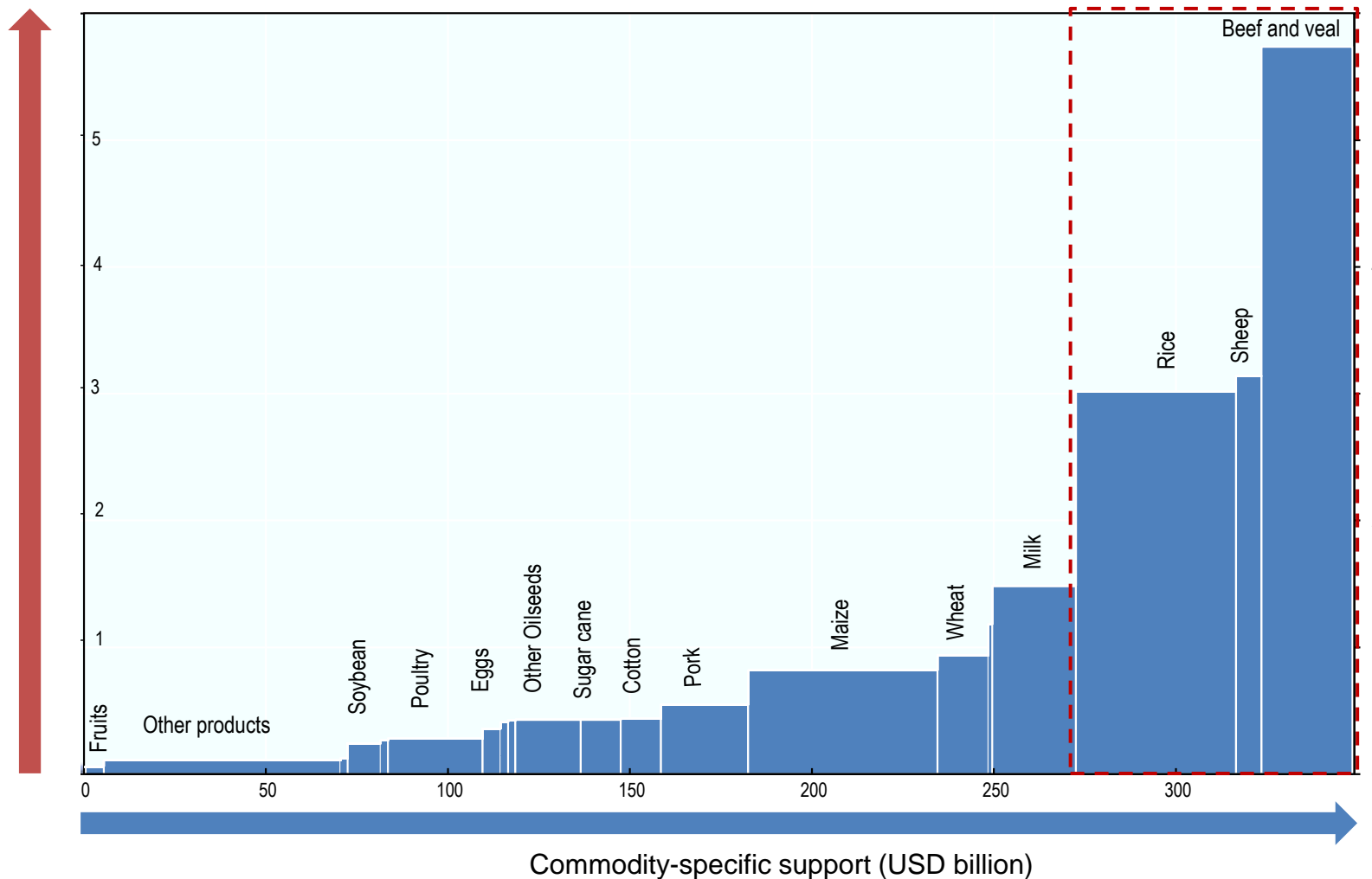
Climate change is a uniquely complex challenge for agriculture





Current policies provide significant support to high-emitting products

Emission intensity (kg CO₂/USD)

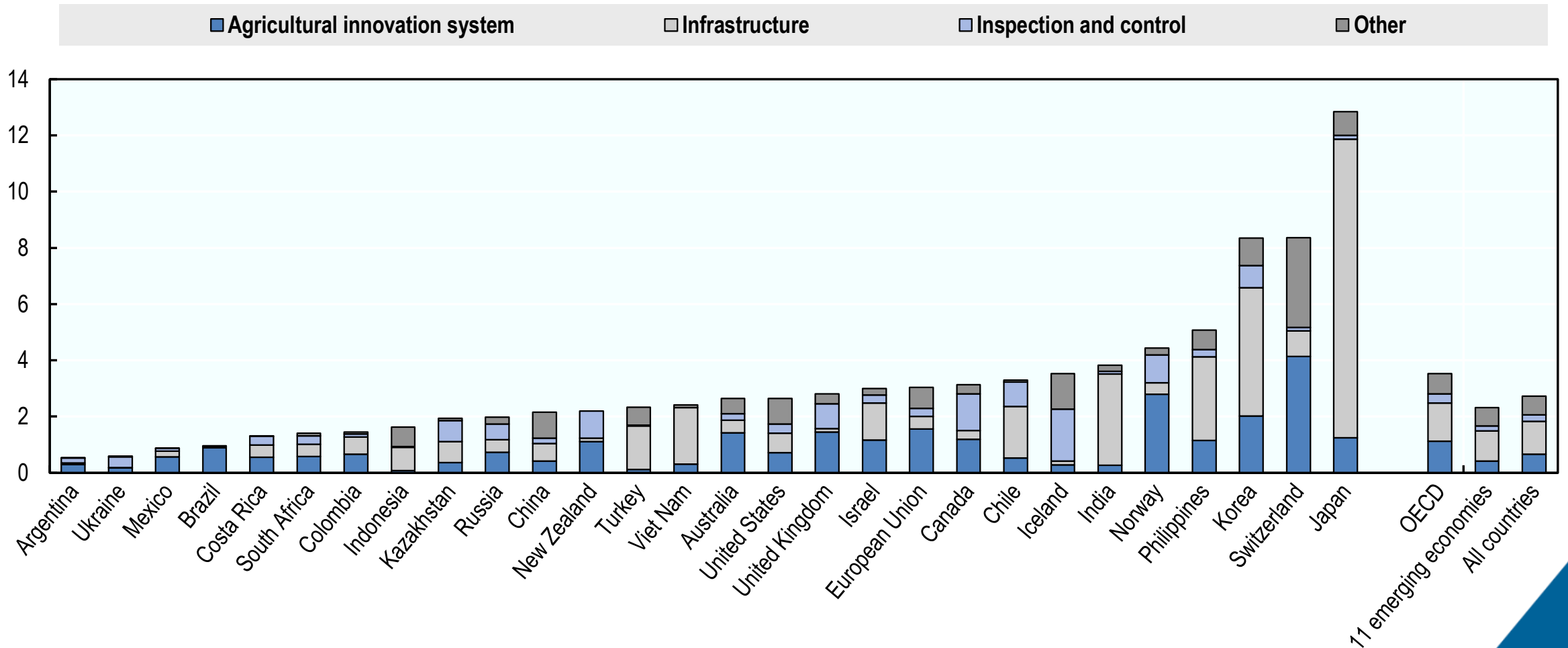


USD 76 billion of commodity-specific support for beef and veal, lamb and rice, all having high emission intensities



Innovation, biosecurity and infrastructure can boost sustainable productivity growth to combat climate change

General Services Support Estimate, 2019-21 (% of agricultural value of production)





Agricultural policy reform agenda for climate, food security, livelihoods and sustainability

Reforming current agricultural support

- ▶ Phase out market price support and other potentially environmentally harmful and distortive transfers
- ▶ Reorient budgetary support to public goods and key general services to improve sector performance
- ▶ Target income support to those most in need

Developing strong climate policy packages for agriculture

- ▶ Implement effective pricing systems for agricultural emissions to transition to low-emission agriculture
- ▶ Where agriculture is not included in broad carbon pricing or equivalent schemes, or complementing those, develop a package of approaches to ensure significant emissions reductions in agriculture

Adaptation and resilience

- ▶ Enhance resilience against diverse risks, increasing extreme weather events and natural disasters



Read the OECD Agricultural Policy Monitoring and Evaluation 2022 report on our website



oe.cd/monitoring



tad.contact@oecd.org



[@OECDagriculture](https://twitter.com/OECDagriculture)



2022 OECD Agriculture Ministerial Meeting

50 delegations

30 Ministers and Vice Ministers, 7
Ambassadors and 13 other high-level
representatives

280 delegates

38 OECD Member countries, and the European
Union,

6 accession candidate countries (Argentina,
Brazil, Bulgaria, Croatia, Peru, Romania)

Cambodia (representing ASEAN), Kazakhstan,
Senegal (representing African Union), South
Africa and Ukraine

BIAC, FAO, CFS, World Bank and WTO





Key Outcome - Declaration

Declaration on Transformative solutions for sustainable agriculture and food systems and Co-chairs' summary

Adopted by:

- All OECD Members and the European Union + Bulgaria, Croatia, Peru, and Romania
- A Co-chairs' summary provides providing an overview of discussions

