Annual OECD Monitoring and Evaluation of Agricultural Policies

• Includes comparable measurement of support to agriculture (PSE)
• Consistent over time and across countries
• Covers OECD countries and every second year an increasing number of emerging economies (this year only OECD countries)
• Includes a chapter on fostering innovation and productivity growth in agriculture
Continued reduction of support in OECD area

2011
Producer support estimate:
USD 252 billion;
EUR 182 billion

Or
19% of farm receipts
Support to agriculture varies across countries

For emerging economies 2008-10
Policy developments

• Changes in support mostly driven by developments on international markets – not by explicit policy change in OECD countries

• With higher world prices policies to support domestic prices generate smaller transfers

• OECD countries are moving at different speeds away from supporting farmers through policies that raises domestic prices. Heavy market intervention (still) dominates in some countries

• No budget austerity (yet)
Most production and trade distorting forms of support remain important in some countries.

Most distorting support: Price- and output-linked support and payments based on (unconstrained) input use.
High prices provide opportunity for further reform

- **Reduce** price- and output linked policies
- **Remove** border policies that contribute to international price volatility, by trying to isolate domestic markets
- **Increase** investments in public goods with long-term benefits; innovation and productivity growth, sustainability
- **Develop** risk management tools for farmers that do not interfere with normal business risk and marketable risk tools
- **Increase** policy coherence: agriculture, trade, (rural) development, as discussed in G20
- Fiscal consolidation across many OECD countries may strengthen the need to improve cost effectiveness of agricultural policies
For more information

- Visit our website: www.oecd.org/agriculture
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