



Policy Coherence and Food Security: The Effects of OECD Countries' Agricultural Policies

Jonathan Brooks, Trade and Agriculture Directorate

Global Forum on Agriculture, 26th November 2012, Paris



Overview of presentation

The evolving spill-over effects of OECD countries' agricultural policies

How high food prices have caused the issues to change

Importance of emerging economies to the policy coherence agenda

How more coherent policies can lead to improved global food security



Longstanding charge of policy *incoherence*

Many OECD countries provided high support to agriculture & farmers

Results: high tariffs, surplus disposal, suppressed international prices

Nuances for poorer countries: often not competing products, trade preferences, mixed terms of trade effects



How has support evolved?

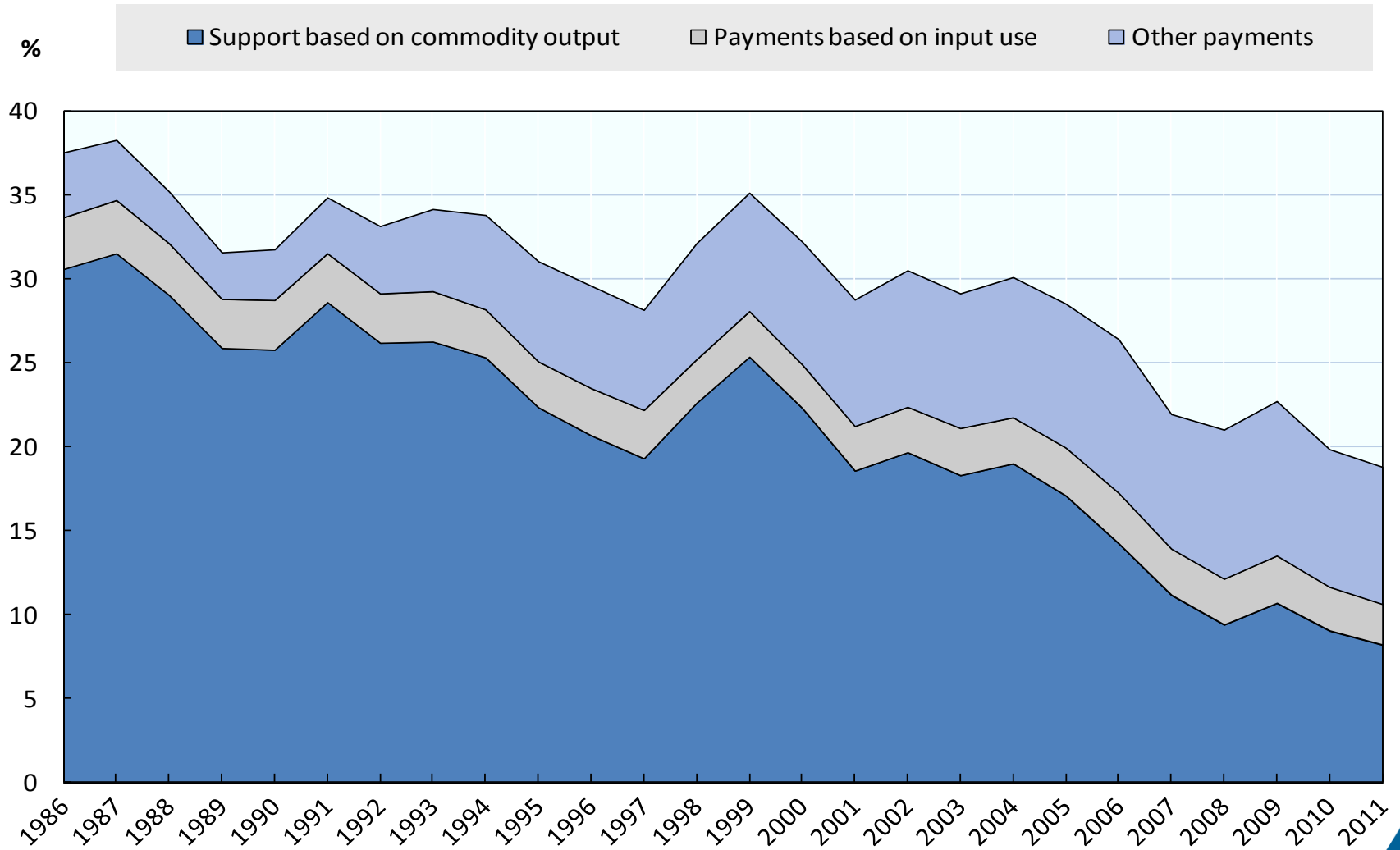
USD billion per year

	1986-88	1995-97	2009-11
Producer Support (PSE)	239,401	253,189	247,736
Market price + output support	82%	70%	45%
Input subsidies	8%	10%	13%
Less distorting payments	10%	20%	42%
General Services (GSSE)	37,045	65,518	101,606
Transfers to consumers	19,870	24,759	39,825
Total Support (TSE)	296,316	343,466	389,167



Composition of PSE, 1986-2011

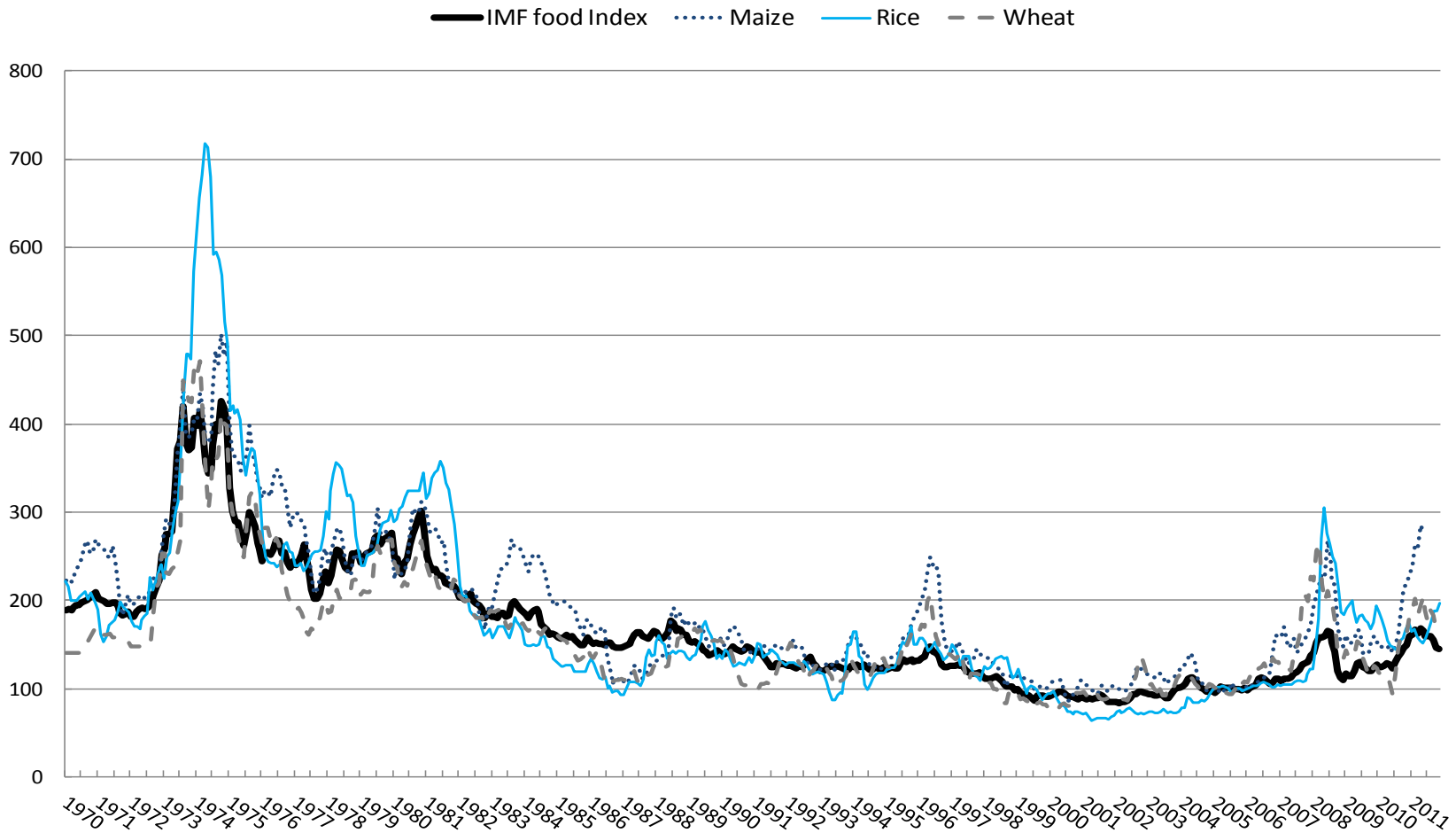
% share of gross farm receipts





Three price shocks since 2007

Real prices, 2005=100





Proportions of net buyers & net sellers of food staples

Country	Survey year	Urban net buyers	Rural net buyers	Rural net sellers
Bangladesh	2000	32%	50%	18%
Ghana	1998	33%	56%	11%
Guatemala	2000	42%	50%	8%
Malawi	2004	12%	82%	6%
Nepal	2003	28%	36%	36%
Nicaragua	2001	53%	37%	10%
Pakistan	2001	37%	52%	11%
Panama	2003	51%	44%	5%
Vietnam	1998	27%	24%	49%

But ultimate effect of higher prices depends on:

Price transmission

How households and markets adapt



New policy issues

- Export restrictions
- Temporary tariff reductions, price stabilisation
- Biofuel policies
- Investment in agriculture (“land grabs”)

Emerging economies implicated in these
“coherence” issues



Rising importance of BRIICS to agricultural trade

Bilateral trade shares

1999

Imports

	OECD	BRIICS	Other	Total
OECD	58.5	2.8	11.6	72.9
BRIICS	5.3	0.9	2.8	9.0
Other	9.2	3.1	5.8	18.1
Total	73.0	6.8	20.2	100.0

Exports

2010

Imports

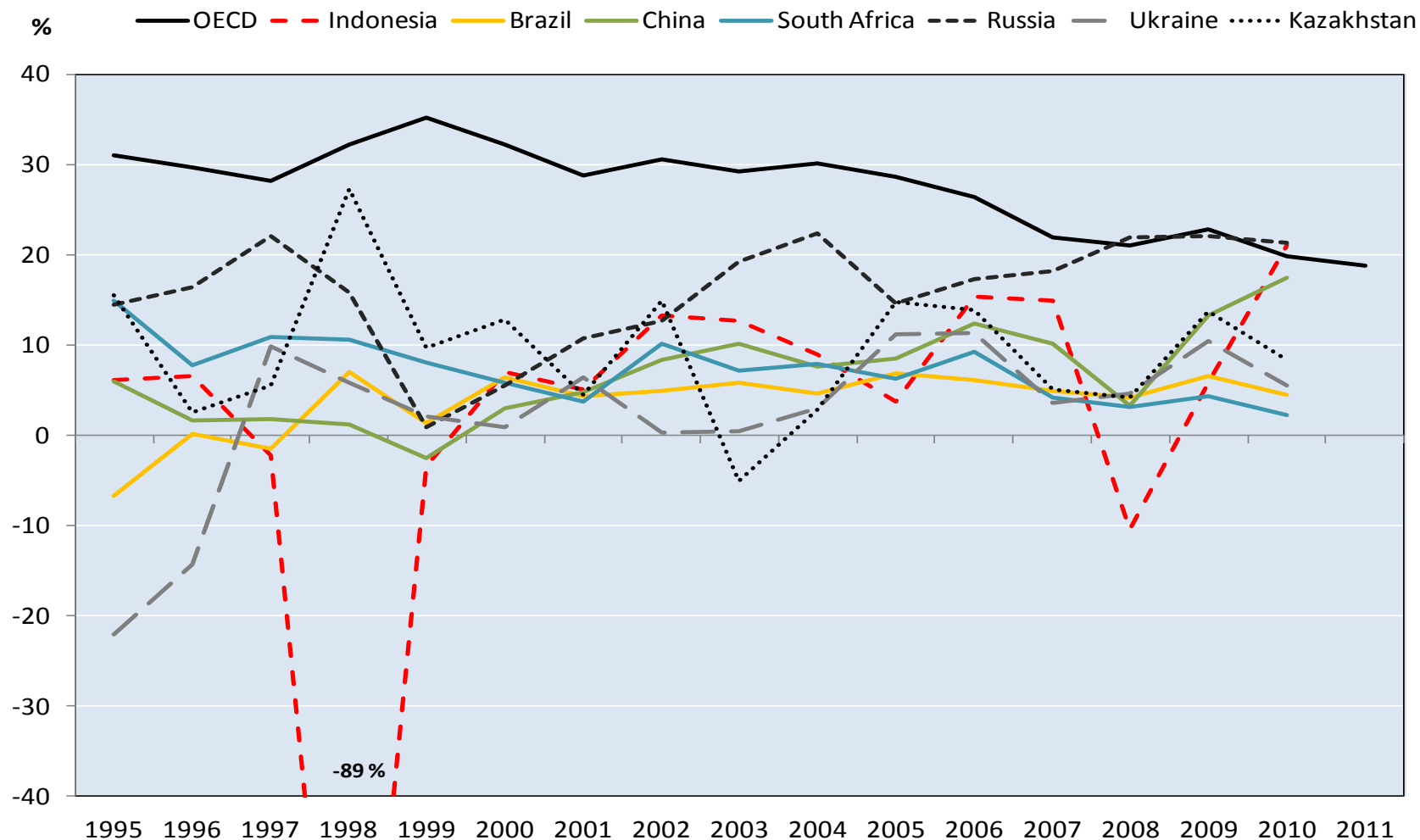
	OECD	BRIICS	Other	Total
OECD	46.5	5.3	10.8	62.6
BRIICS	5.5	3.0	6.2	14.7
Other	8.6	4.3	9.8	22.7
Total	60.6	12.7	26.8	100.0

Exports



Producer support in emerging economies

% share of gross farm receipts





An agenda for policy coherence in OECD and emerging economies

- Remove market and trade distorting instruments
 - Replace with social protection & risk management tools
- Invest in public goods to raise food availability sustainably
 - Research and innovation
- Share knowledge
- Global action
 - Multilateral trade reform



For more information



- Visit our website: www.oecd.org/agriculture
Contact us: tad.contact@oecd.org; jonathan.brooks@oecd.org