

Agricultural Policy Monitoring and Evaluation 2023: *Adapting Agriculture to Climate Change*

Launch Event: 30 October 2023





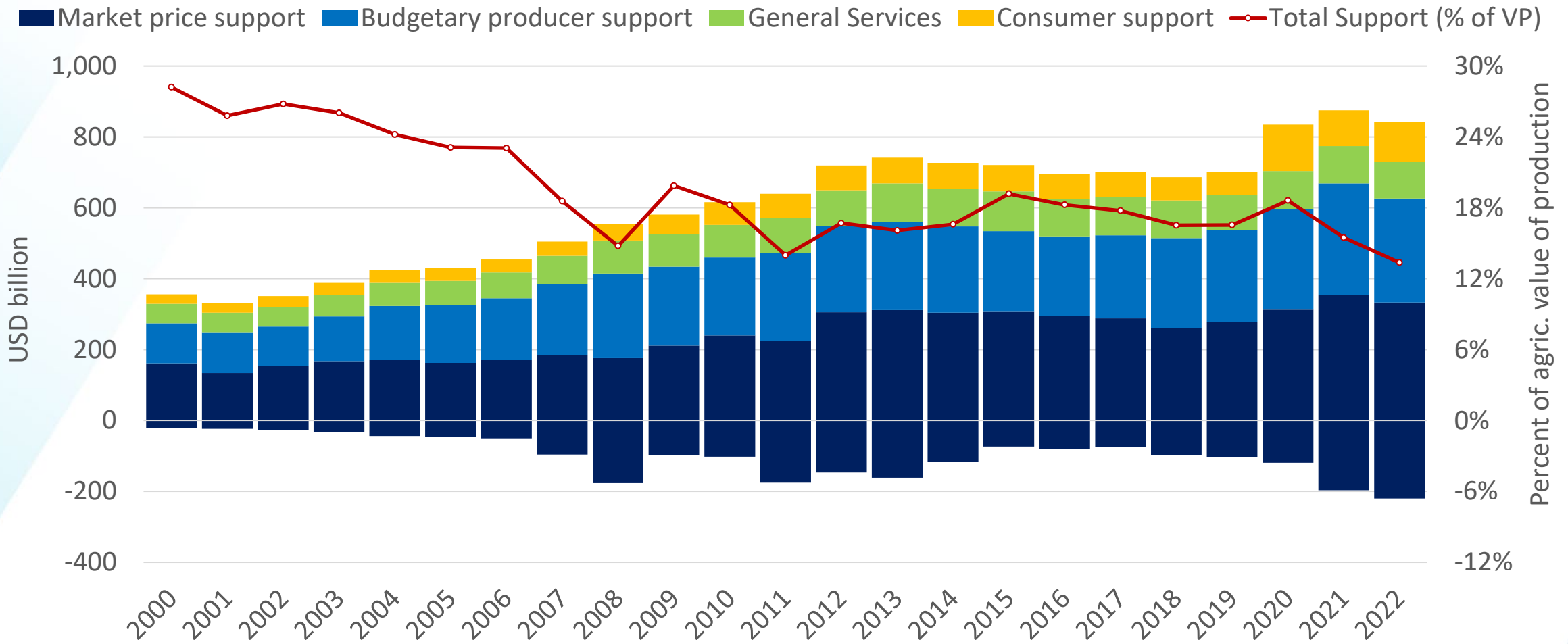
Key Messages

Rising impacts of climate change underscore the necessity of adaptation and reform of policies that hinder adjustments to agricultural production systems

- Support to agriculture continues to grow: **USD 851 billion per year** in 2020-22
- Significant policy actions to limit market impacts of Russia's war of aggression against Ukraine and address inflationary pressures
- Governments are scaling up efforts to help agriculture adapt to climate change, but further actions and reforms are urgently needed
- Missed opportunities: declining share of general services
- Transformative actions are urgently needed for sustainable agriculture and food systems



Agricultural support reached USD 851 billion per year in 2020-22

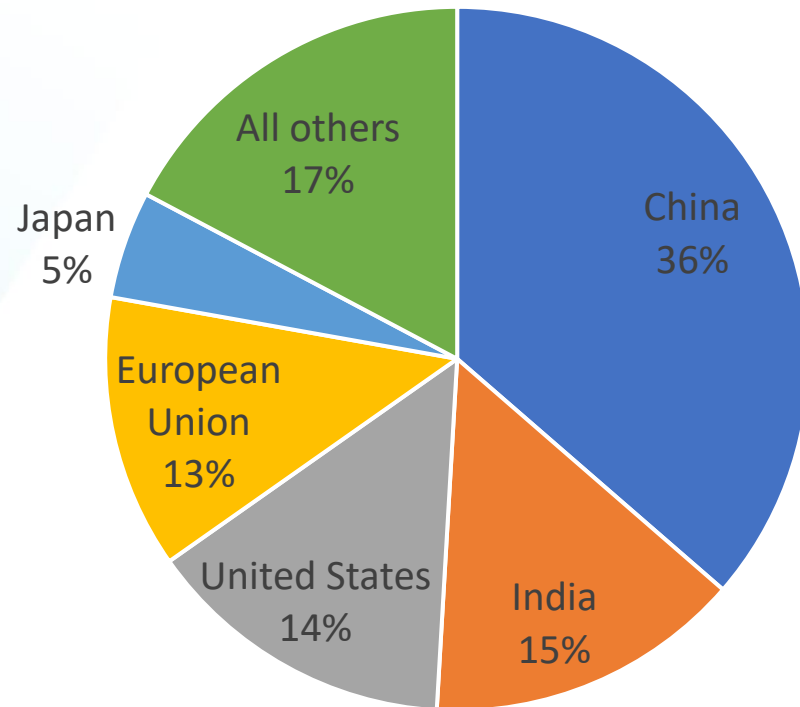


Source: OECD (2023), "Producer and Consumer Support Estimates", OECD Agriculture statistics (database), <http://dx.doi.org/10.1787/agrpcse-data-en>.

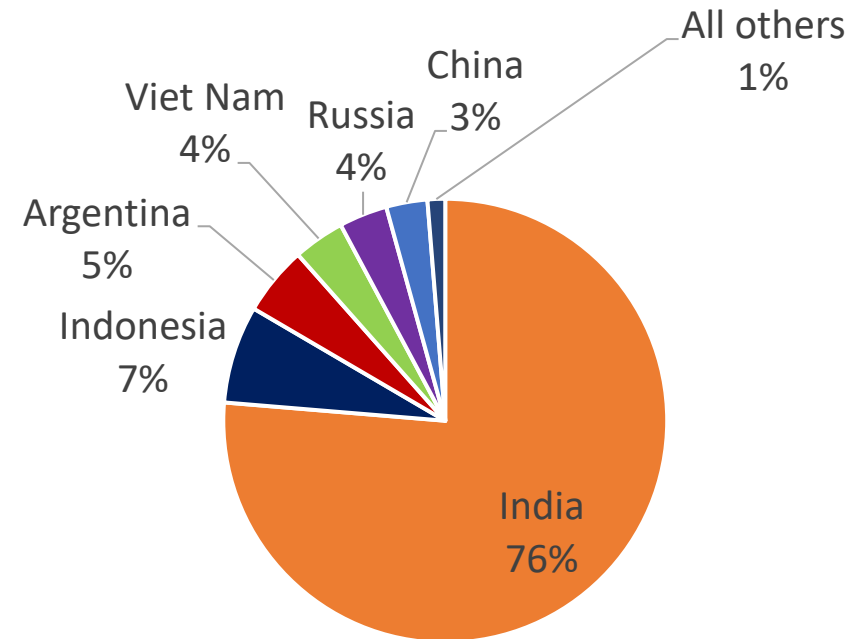


Support is highly concentrated in a few large producing economies...

Share of positive transfers, 2020-22
(USD 851 bn/year)



Share of negative transfers, 2020-22
(USD 179 bn/year)

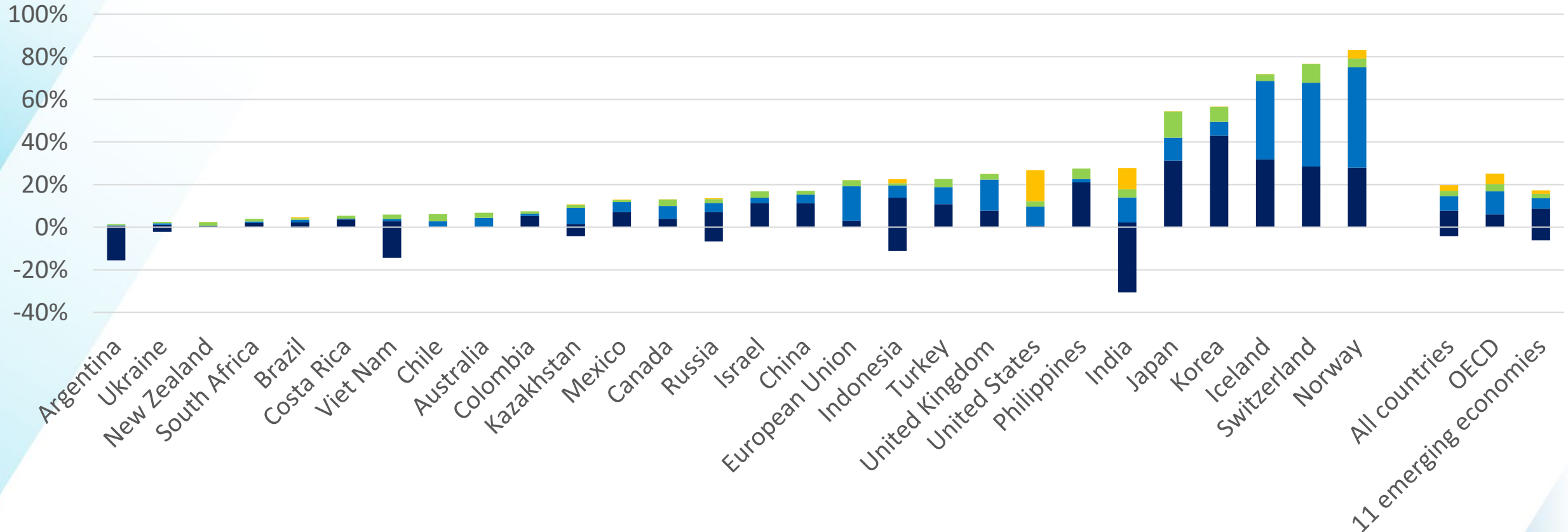




... and relative to the sector's size varies substantially across countries

Total support to agriculture by country (% agr. production value), 2020-22

■ Market Price Support ■ Budgetary Producer Support ■ General Services ■ Consumer Support



Source: OECD (2023), "Producer and Consumer Support Estimates", OECD Agriculture statistics (database), <http://dx.doi.org/10.1787/agrpcse-data-en>.



Policy responses to Russia's war of aggression against Ukraine and inflationary pressures

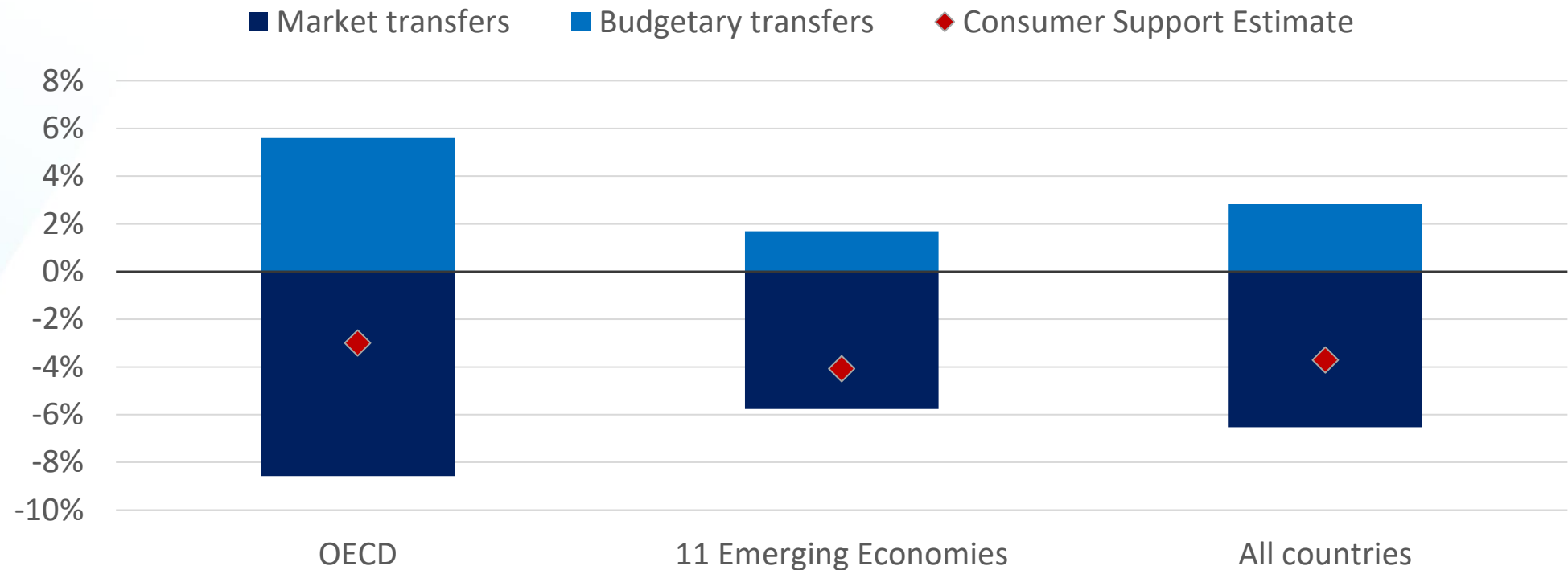
- Many governments extended emergency measures or put in place new measures to help producers and consumers cope:
 - Helping Ukraine to continue producing and exporting food
 - Reducing import barriers for food and fertilisers
 - Fostering domestic fertiliser production or increasing the use of organic fertilisers
 - Providing support to compensate for rising input costs
 - Support to shield consumers from the rising cost of food
- Some countries implemented export barriers, resulting in increased market uncertainty
- Others eased or suspended environmental constraints to encourage domestic production



Consumers are implicitly taxed on average due to market price support

Composition of the Consumer Support Estimate, 2020-22

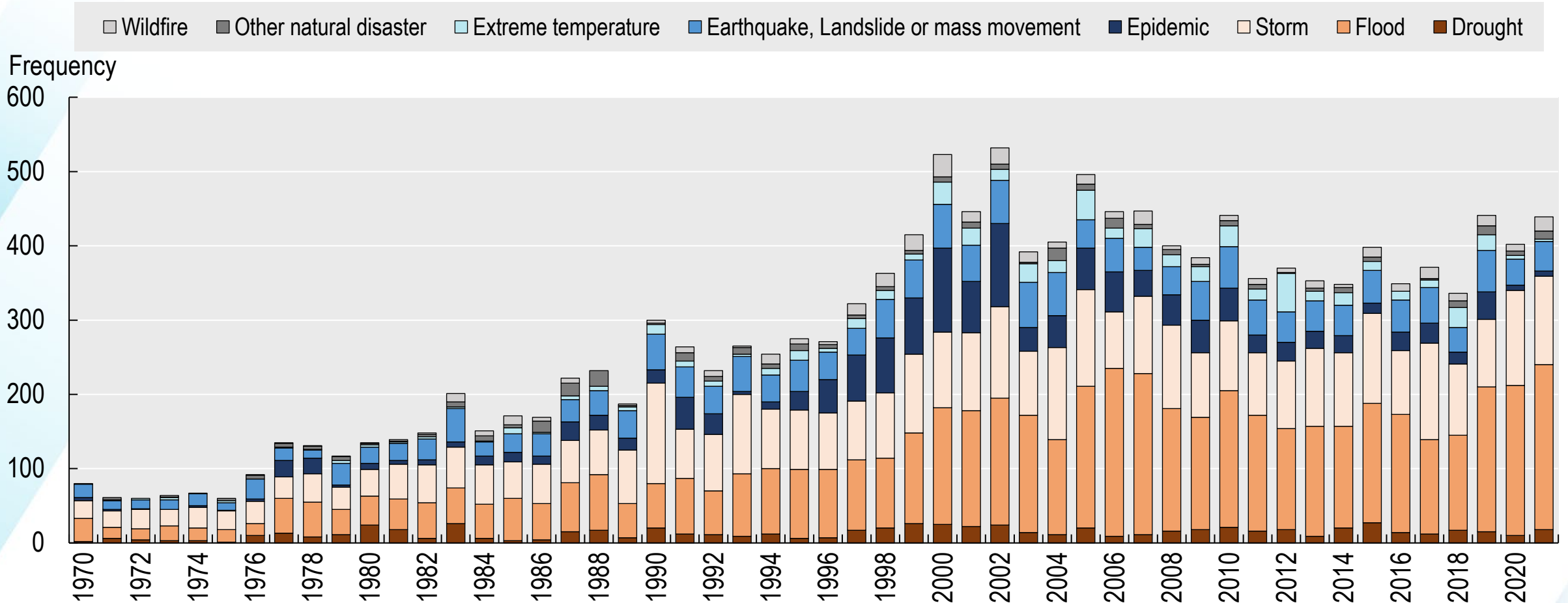
(% of consumption expenditure at farm gate)





Agriculture is increasingly experiencing the impacts of climate change

Frequency of natural disasters worldwide, 1970-2021

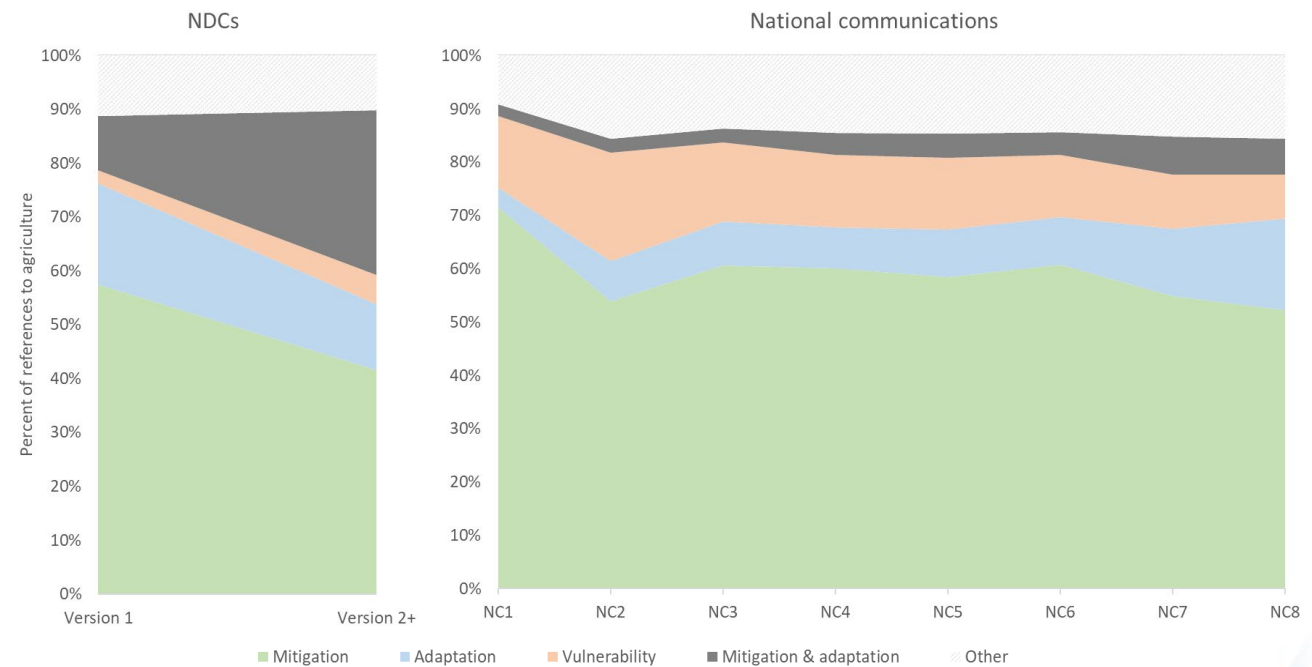


Note: Data include all natural disasters meeting at least one of the following criteria: 10 or more people dead; 100 or more people affected; a declaration of a state of emergency; a call for international assistance.
Source: EM-DAT, CRED / UCLouvain, Brussels, Belgium - www.emdat.be



Evolving focus on agricultural adaptation

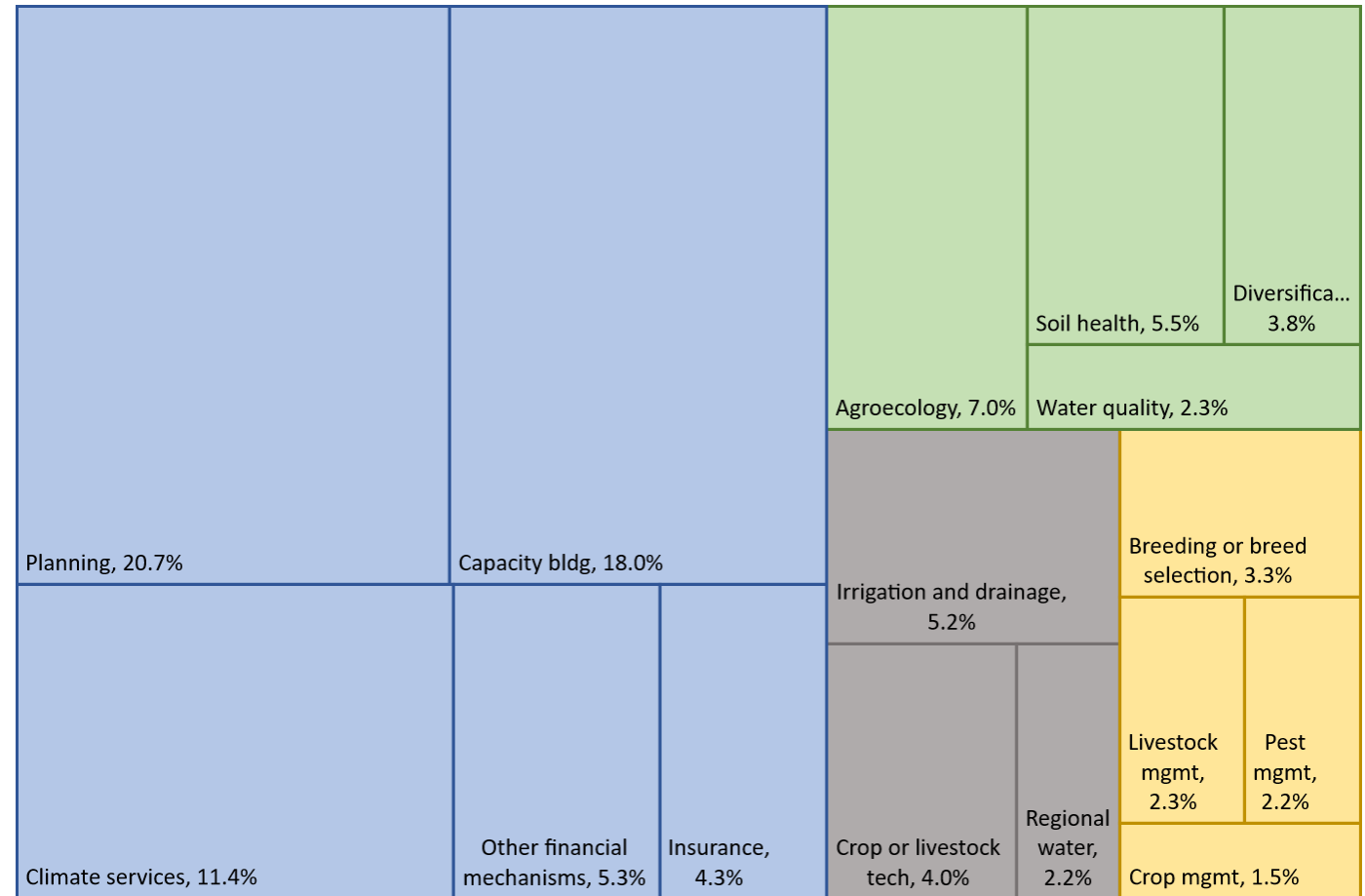
- What importance do governments convey to agriculture in their overall adaptation strategies?
- UNFCCC reporting over 30 years reveals:
 - Increased depth of reporting on agricultural adaptation
 - Evolving focus from **mitigation** → **adaptation** and **mitigation-adaptation co-benefits**





Stocktake of adaptation programmes

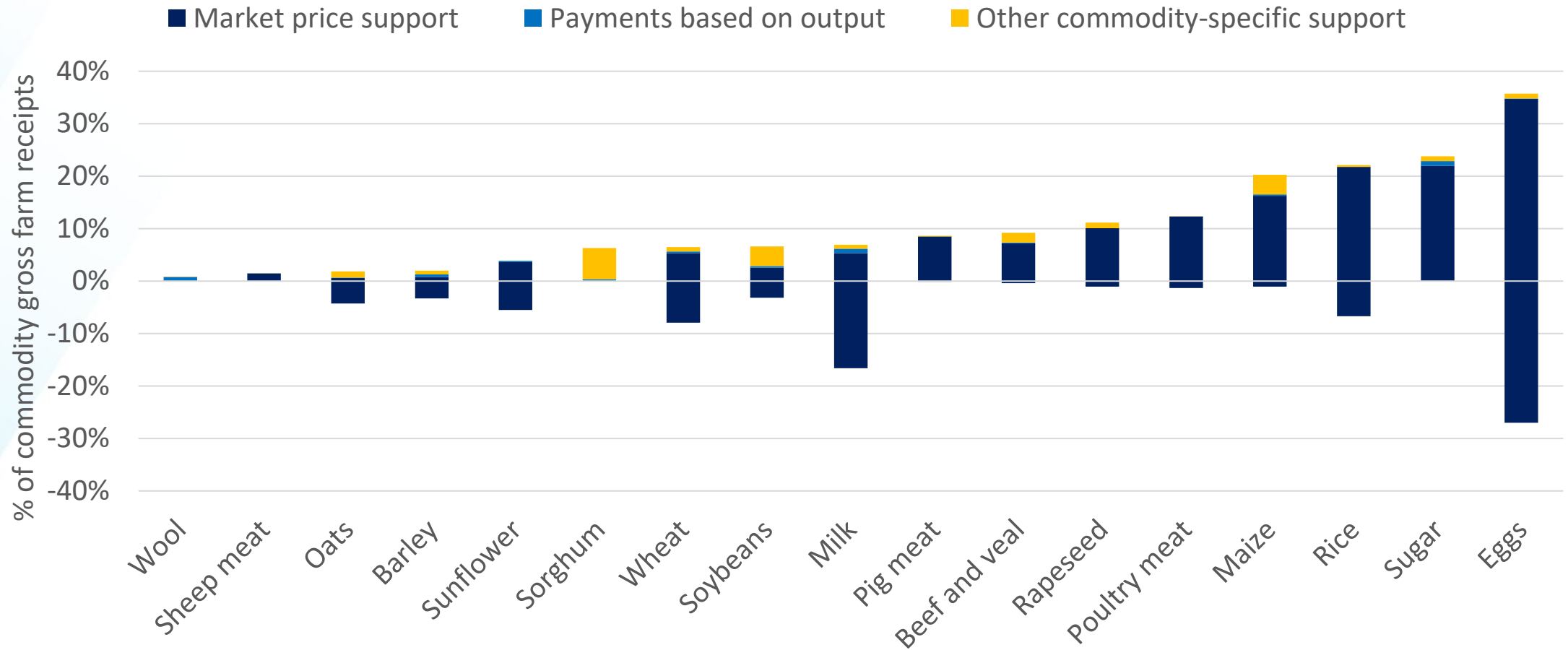
- 599 self-reported adaptation programmes
- Programme types
 1. Social, economic and institutional: 61%
 2. Ecosystem-based approaches: 19%
 3. Infrastructure and technological: 11%
 4. Behavioural and cultural: 9%



■ Infrastructure and technological (INT)
 ■ Behavioural and cultural (BHC)
■ Ecosystem-based (ECO)
 ■ Social, economic and institutional (SEI)

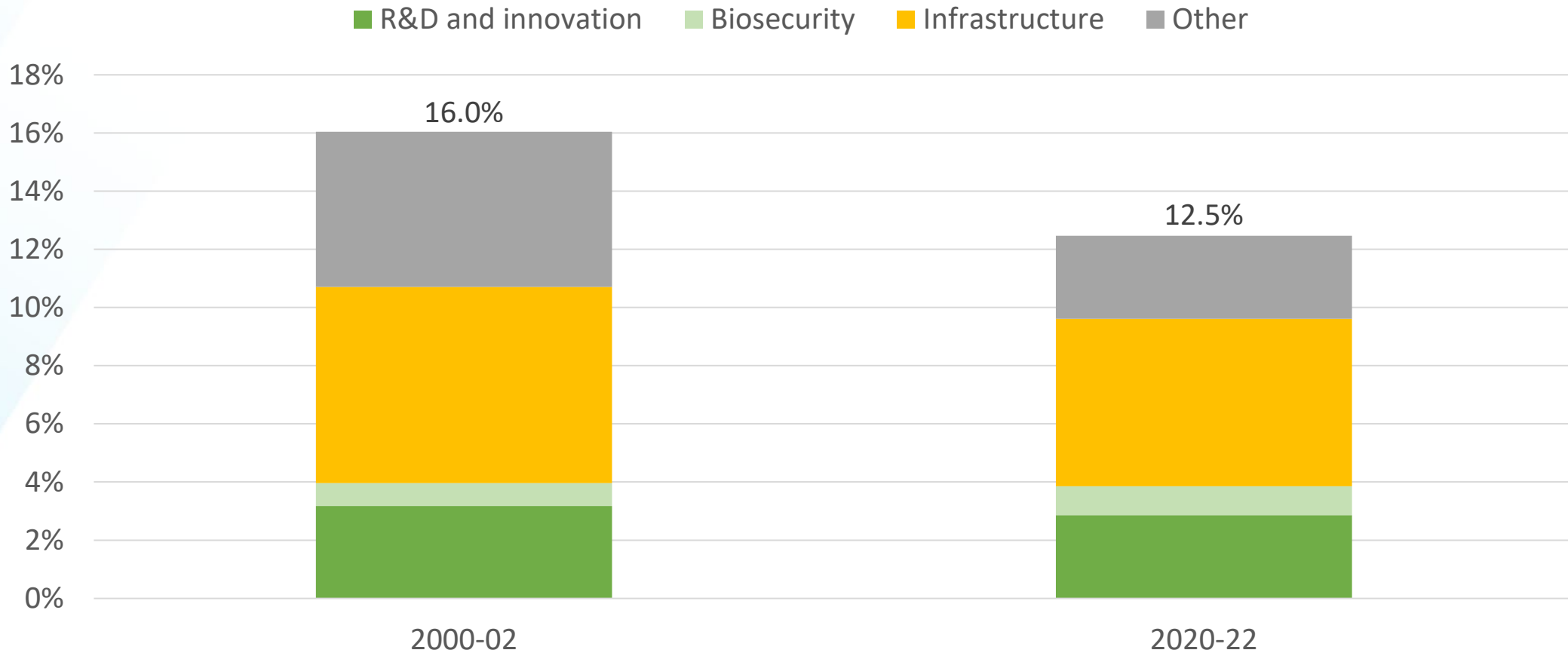


Most producer support is tied to the production of specific commodities





The share of expenditure on innovation, biosecurity and infrastructure is declining



Source: OECD (2023), "Producer and Consumer Support Estimates", OECD Agriculture statistics (database), <http://dx.doi.org/10.1787/agrpcse-data-en>.



What should governments do?

- *Phase out measures that hinder adjustments to production*
- *Prioritise government engagement in agriculture's risk management on information, facilitation, and catastrophic risks*
- *Invest in targeted interventions supporting climate-change adaptation and the sector's transition to more sustainable and resilient agriculture and food systems*
- *Favour no-regret measures that support resilience in a wide range of circumstances*
- *Enhance the agricultural knowledge and innovation system and its focus on sustainable productivity growth*
- *Incentivise the supply of public goods*



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