



Food and Agriculture
Organization of the
United Nations

**Final Workshop of the Pilot Study on Agricultural Policy Monitoring
in six post-Soviet Countries**

Agricultural policy monitoring and policy trends at global level

Signe Nelgen

2-3 October 2019
Minsk, Republic of Belarus

Road Map

- Introduction: Building on experience
- Objective of agricultural policy monitoring at global level
- The Ag Incentives Consortium
- Global agricultural policy trends
- Conclusion
- Global agricultural policy monitoring in the future

Introduction: Building on experience

- FAO in the 1970s: First systematic attempt at monitoring agricultural policies.
- OECD since 1987: Regular publication of the Producer and Consumer Subsidy Equivalents.



Source: OECD; 2019

- Important input for dialogue on agricultural policy in OECD member countries
- FAO partnered with OECD to develop the methodology implemented by MAFAP at FAO

Objective of agricultural policy monitoring at global level

What is the objective to estimate and compare agricultural policy indicators at global level?

Provide a methodology and tool to help analyzing political economy causes, and economic and welfare effects, of past policies & prospective alternatives

A country can be affected by:

- ❑ own-country price-distorting policies
- ❑ Large countries' policies
- ❑ Rest of world's policies

Objective of agricultural policy monitoring at global level

Calculation of indicators that measure price and market distortions that affect the agricultural sector.

- Comparable set of indicators for multiple countries and products.
- Indicators can be aggregated, e.g. according to trade status, region, the agricultural sector, etc. (weighted or unweighted by production measures).

Objective of agricultural policy monitoring at global level

When calculating the NRPs and NRAs, there are three possible outcomes:

= Zero, resulting when producers or wholesalers receive a price equal to the reference price.

+ Positive, resulting when producers or wholesalers receive a price higher than the reference price.

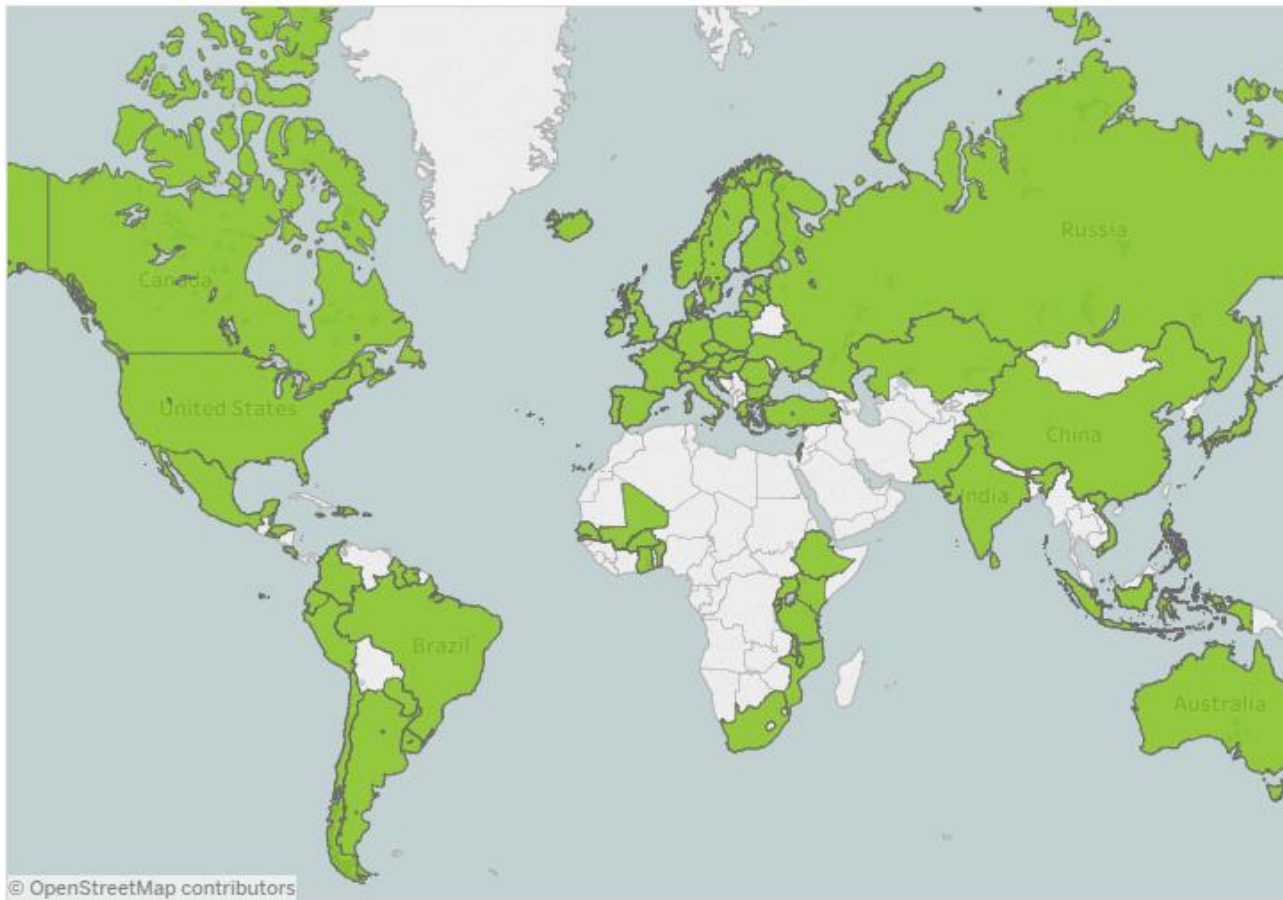
- Negative, resulting when producers or wholesalers receive a price lower than the reference price.

The Ag Incentives Consortium

Members of the International Organisations Consortium for Measuring the Policy Environment for Agriculture:

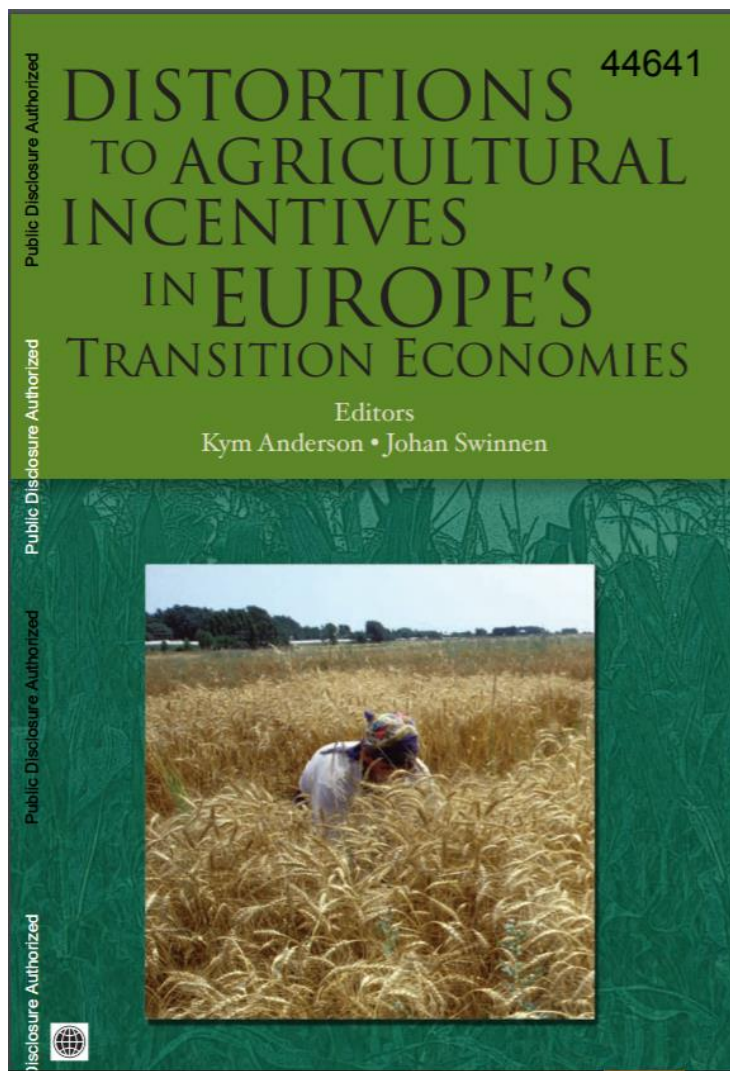
- *IDB*
- *IFPRI*
- *FAO*
- *OECD*
- *Word Bank*

Country Coverage by the Ag-Incentives Consortium



Source: Ag-Incentives, 2019.

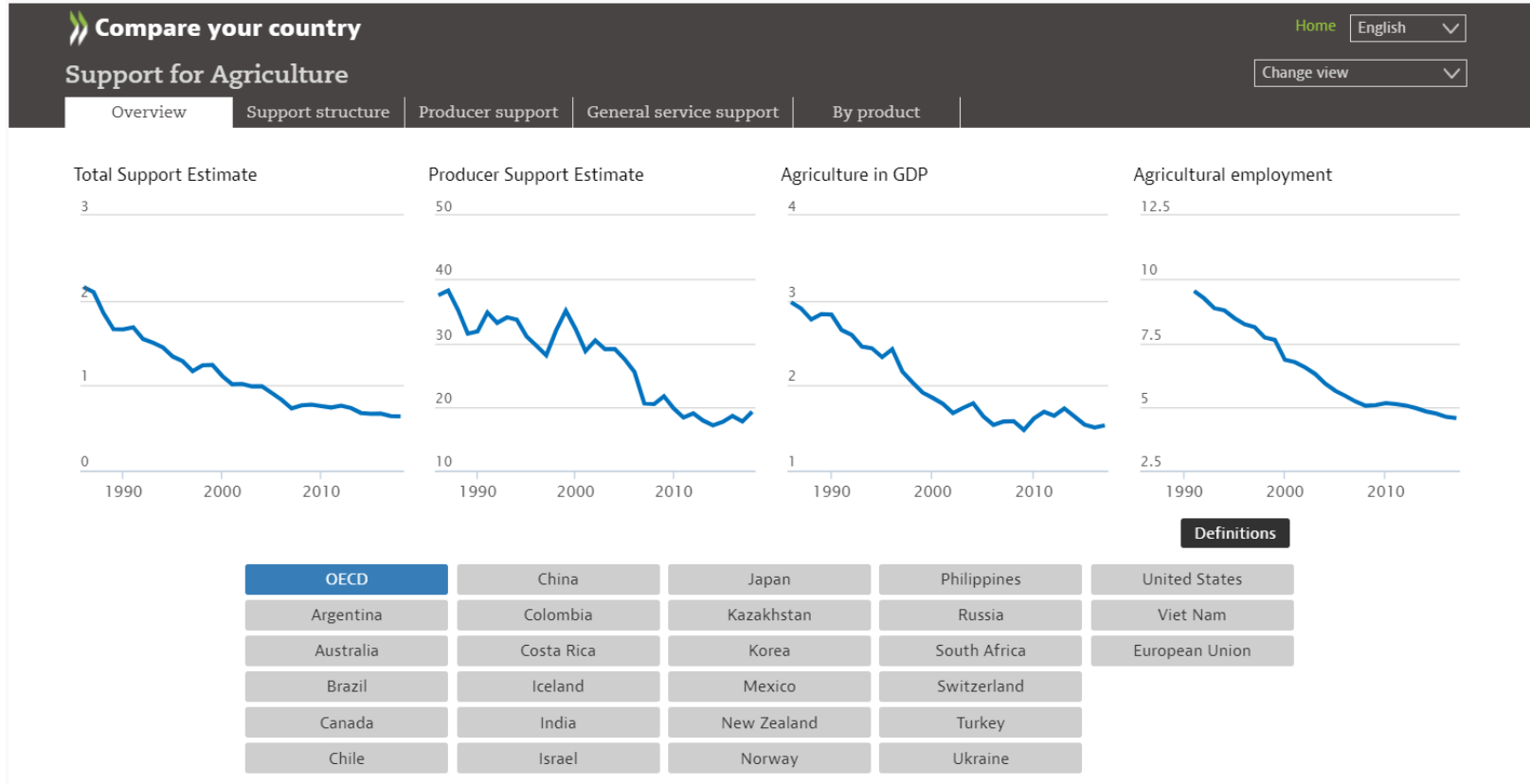
The Ag Incentives Consortium (World Bank)



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The Ag Incentives Consortium (OECD)

<http://www.oecd.org/agriculture/topics/agricultural-policy-monitoring-and-evaluation/>



Source: OECD; 2019

The Ag Incentives Consortium (OECD)

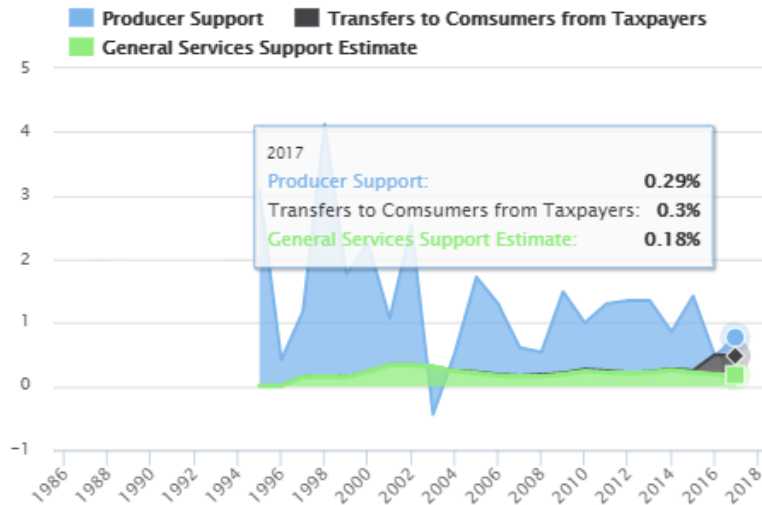
[Home](#) English

Compare your country
Support for Agriculture

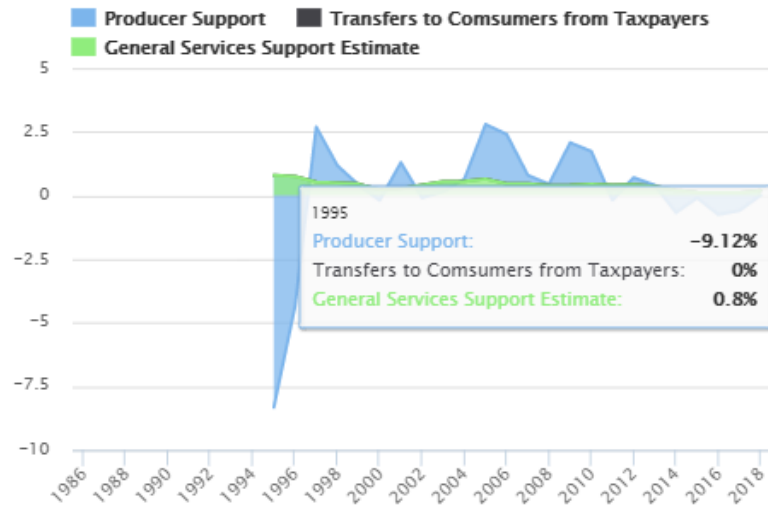
[Overview](#) | [Support structure](#) | [Producer support](#) | [General service support](#) | [By product](#)

Total Support Estimate, % of GDP

Kazakhstan



Ukraine



[Share/embed](#)

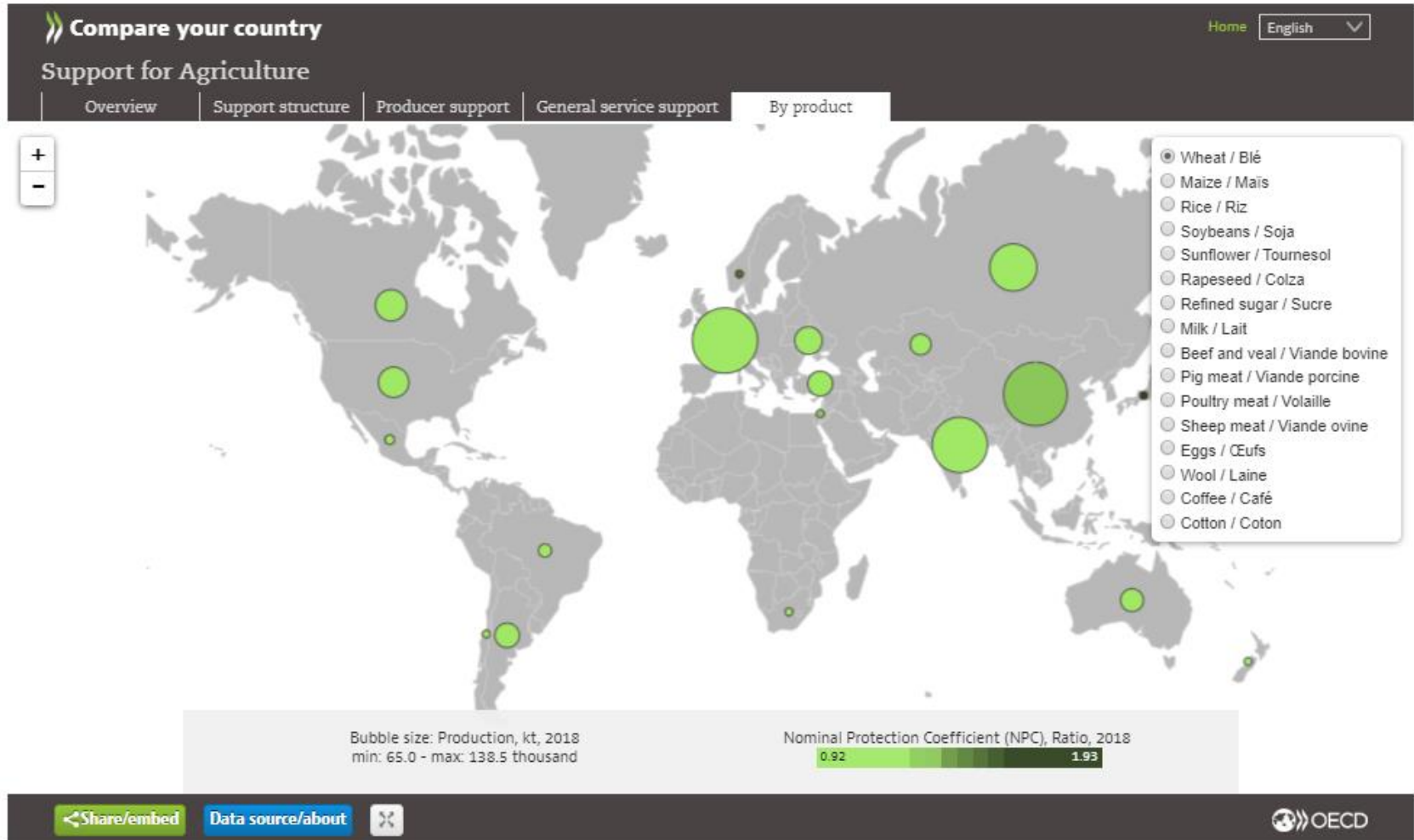
[Data source/about](#)



Source: OECD; 2019

The Ag Incentives Consortium (OECD)

<http://www.oecd.org/agriculture/topics/agricultural-policy-monitoring-and-evaluation/>



Source: OECD; 2019

The Ag Incentives Consortium (MAFAP)



MAFAP
Monitoring and Analysing Food and Agricultural Policies

Programme Overview | Country Analysis | Data | Resources | Highlights

The Monitoring and Analysing Food and Agricultural Policies (MAFAP) programme seeks to establish country owned and sustainable systems to monitor, analyse, and reform food and agricultural policies to enable more effective, efficient and inclusive policy frameworks in a growing number of developing and emerging economies.

See the **Programme Overview** to know more about our work.

Where we work



Highlights



05-09-2019
MAFAP an
seminar o
agricultura
and rural investment stra



06-06-2019
FARM laur
initiative fo
monitorin

What we do

Policy reform options

MAFAP supports decision makers in partner countries to articulate costs and benefits of alternative policy options to promote suitable reforms.

Policy dialogue and engagement

MAFAP is actively engaging with policy makers to ensure the analytical results and recommendations feed into national policy processes.

Agricultural public expenditure analysis

While building monitoring and analytical capacity in partner countries, MAFAP measures the level and composition of public expenditures in support of food and agriculture.

Price incentives analysis

MAFAP measures how different policies and markets affect the prices farmers receive for their products and the prices consumers pay.

Policy coherence

MAFAP tracks public expenditure related to agriculture and measures the impact of policies on the prices of key agricultural commodities.

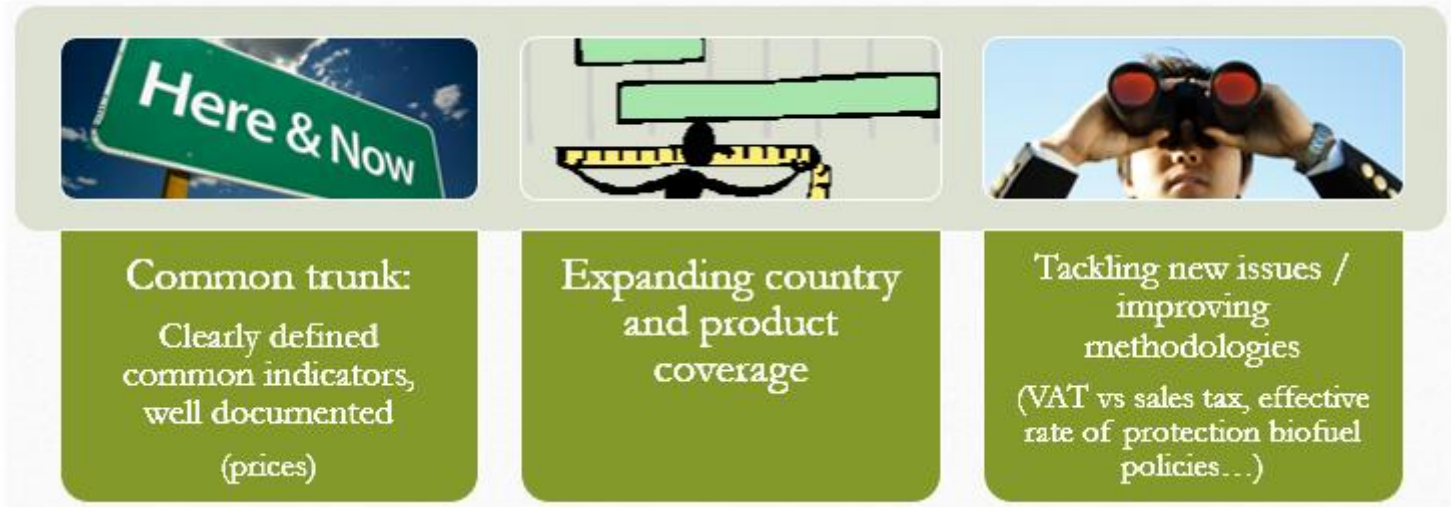
Policy performance

MAFAP uses a set of indicators that help understand how different policies work in various contexts and how they affect agricultural value chain dynamics and production incentives in different countries.

The Ag Incentives Consortium

- Provide a system to monitor and analyze policies and their effects.
- Provide a forum for discussion aimed at raising the quality and coverage of the available measures.
- Implemented by partners in collaboration with national teams.

The Ag Incentives Consortium



Source: Ag-Incentives, 2019.

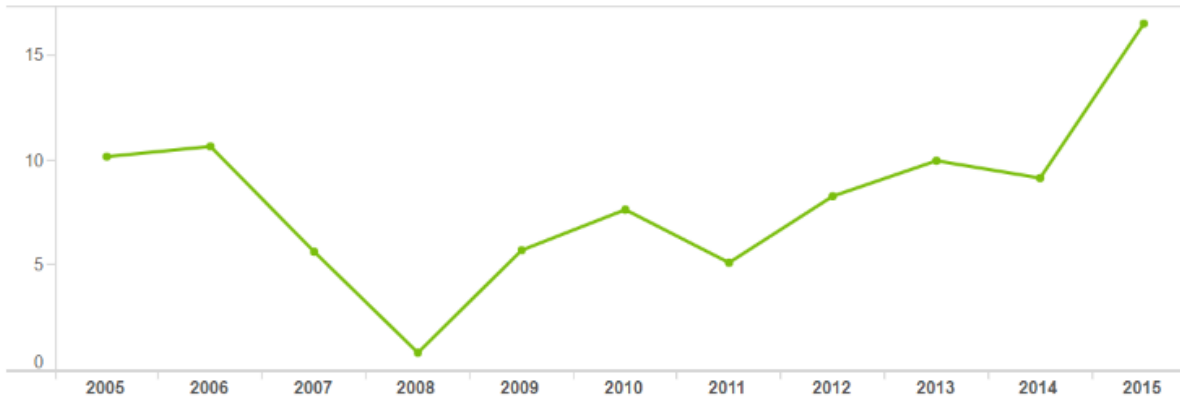
- Ensure data quality and agree on methodology
- Provide data and calculate indicators
- Identify data problems and inconsistencies and propose steps to be taken to resolve them
- User friendly presentation of data on the website

The Ag Incentives Consortium

Total NRPs
 Country and Commodity Level NRPs


[Download CSV File](#)

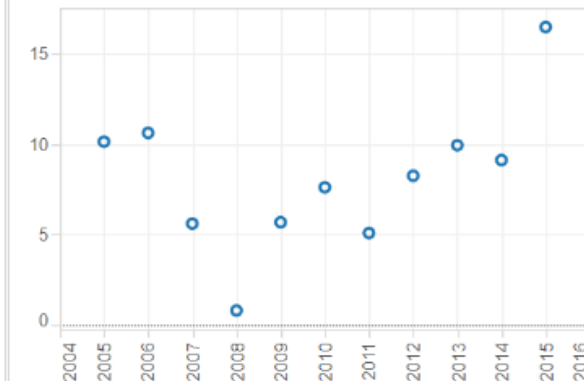
Global NRP for Total Products



Label
Category
SourceVersion
Source
CountryCode
CountryName
WBIncomeGroup
Year
NumberProducts
NumberCountries
NumberCommodities
ProductCode
ProductName
GroupName
ProductionQuantity
PhysicalUnit
ReferencePriceAtFGL
ProducerPriceAtFGL
ValueProduction_PP
ValueProduction_REF
MonetaryUnit
NRP
DistortionValue
ValueProduction_CountrySet
ValueProduction_ProductSet
NOTES

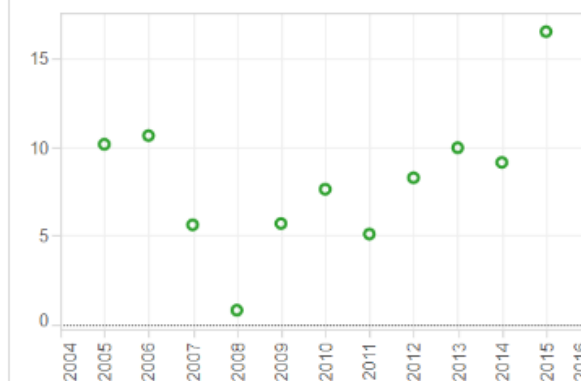
Total NRP by Country

Income Group:
 Country Name:



Global NRP by Product

Product Name:



<http://www.ag-incentives.org>

Source: Ag-Incentives, 2019.

The Ag Incentives Consortium

The Objectives of the AgIncentives Consortium

Clearly defined common indicators

Focus on price incentives

Expanding country coverage

Expanding product coverage

Coverage of a long time period

Improving methodology

Expanding set of indicators

Tool for policy analysis (SR and LR causes and effects)

The global agricultural policy environment

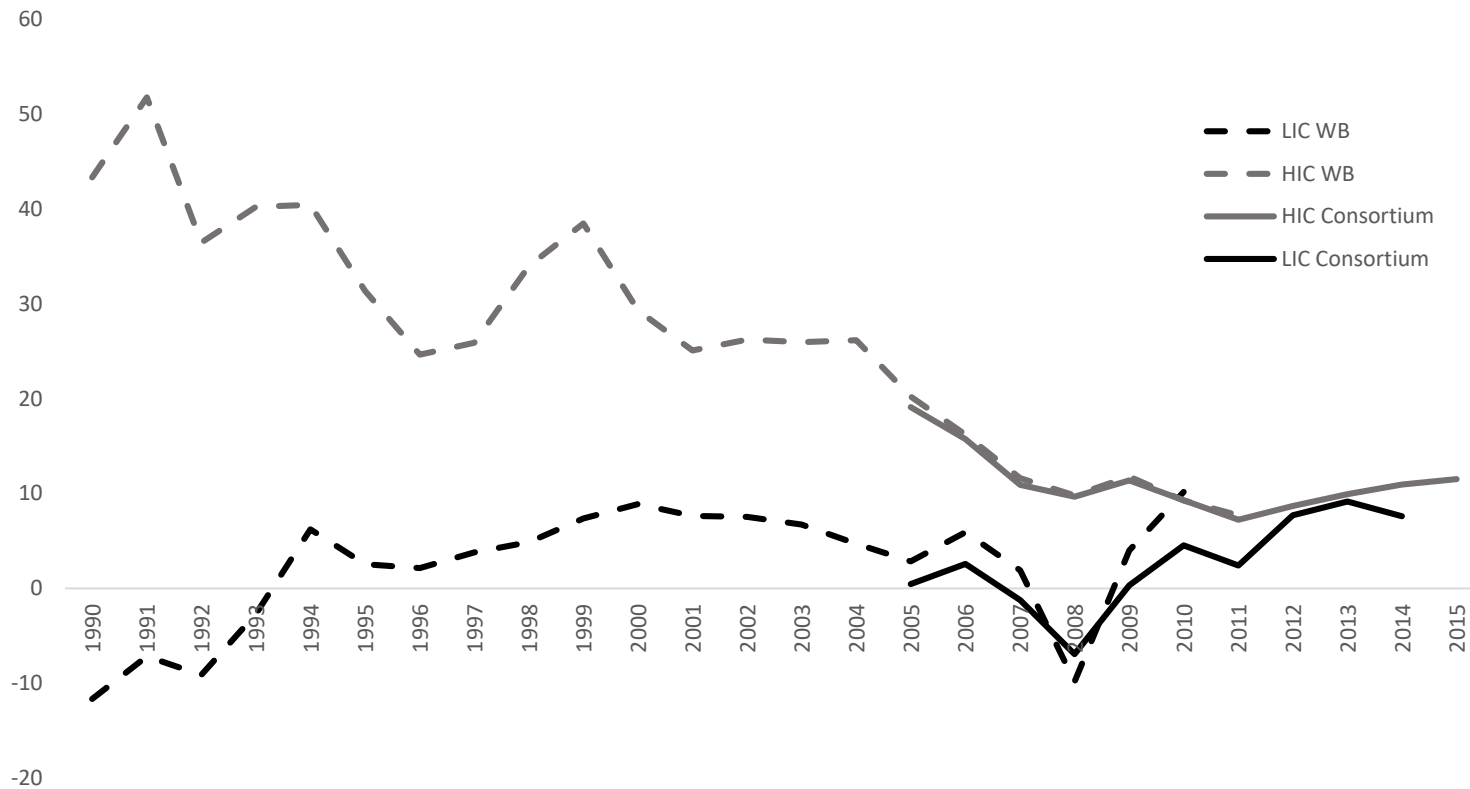
Nominal Rate of Protection/Assistance, weighted averages, 1990-2015



Sources: Author's calculations based on Anderson and Nelgen (2013) and Ag-Incentives (2017).

The global agricultural policy environment

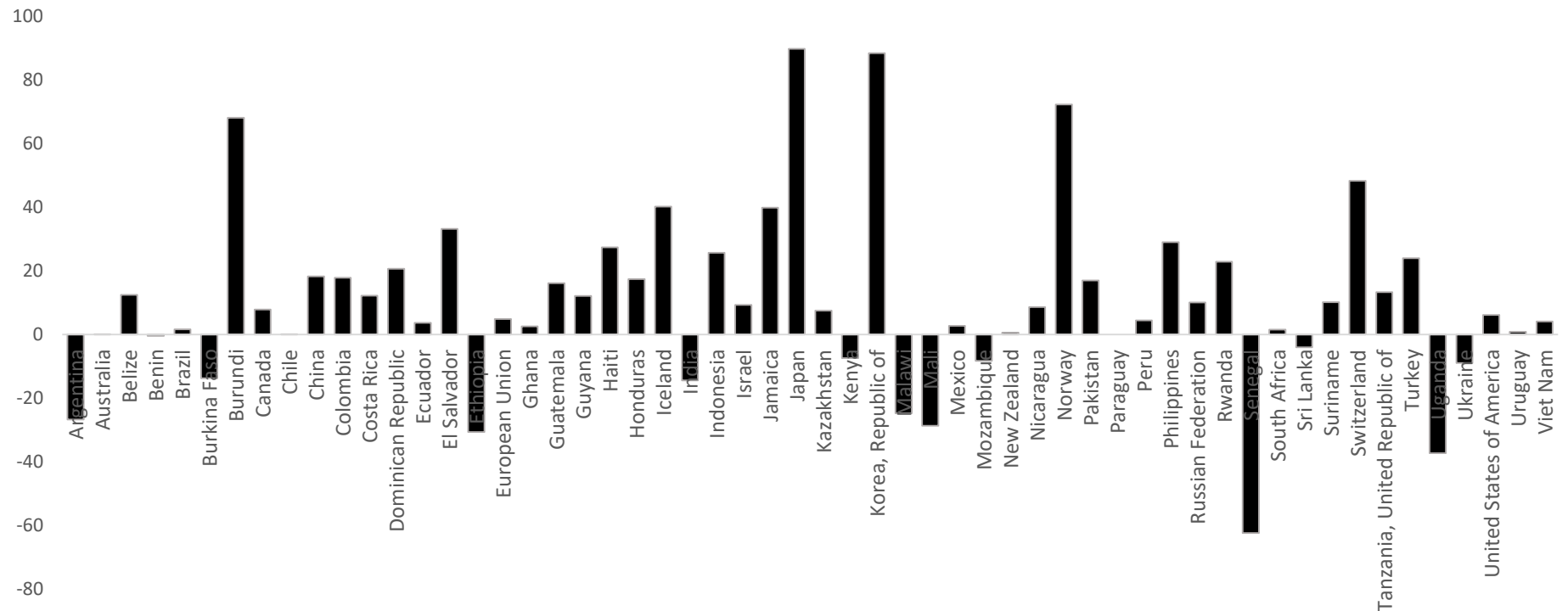
Nominal Rate of Protection/Assistance, HIC and LIC, weighted averages, 1990-2015



Sources: Author's calculations based on Anderson and Nelgen (2013) and Ag-Incentives (2017).

The global agricultural policy environment

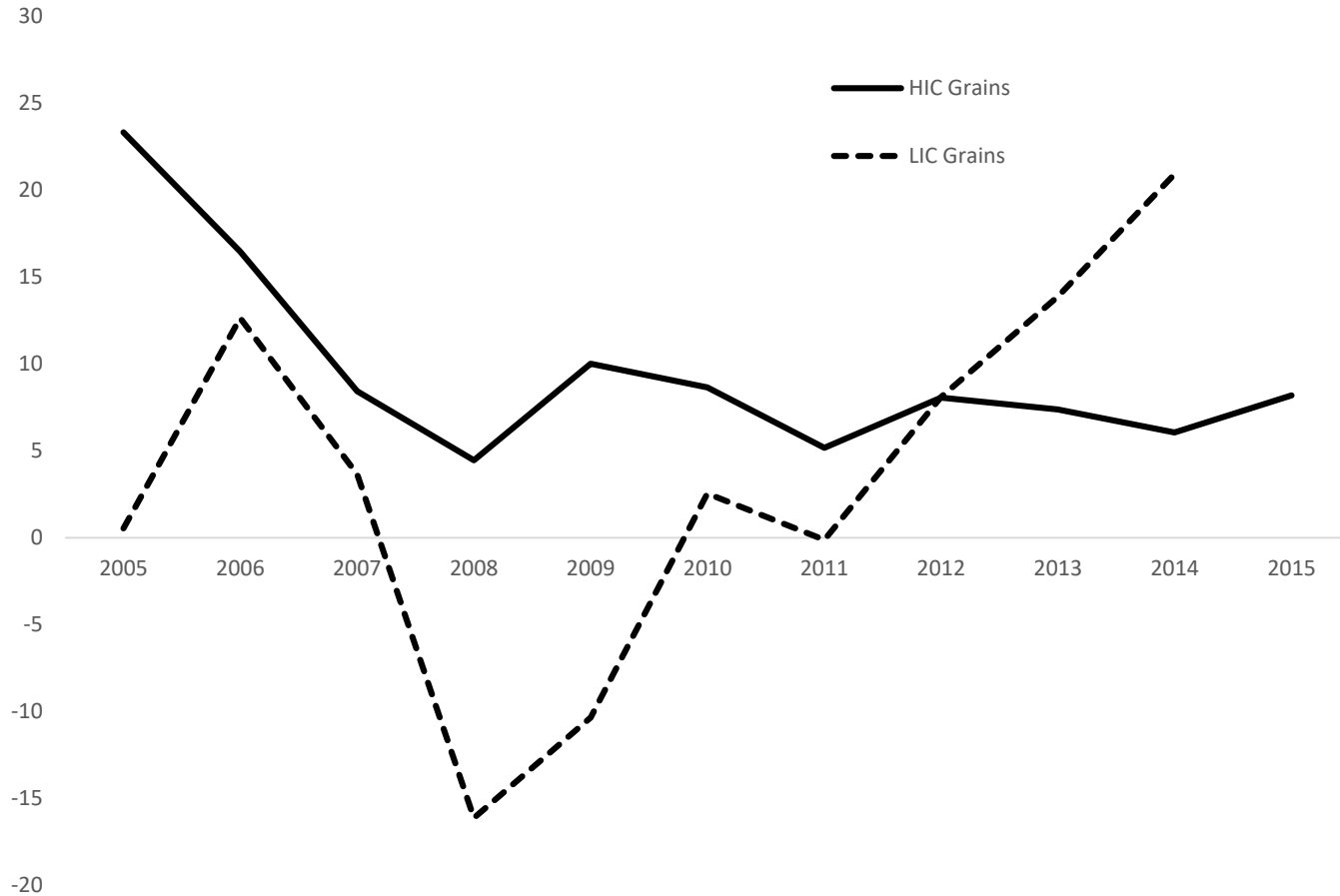
Nominal Rate of Protection/Assistance, by country, weighted averages, 2010-2015



Source: Author's calculations based on Ag-Incentives (2017).

The global agricultural policy environment

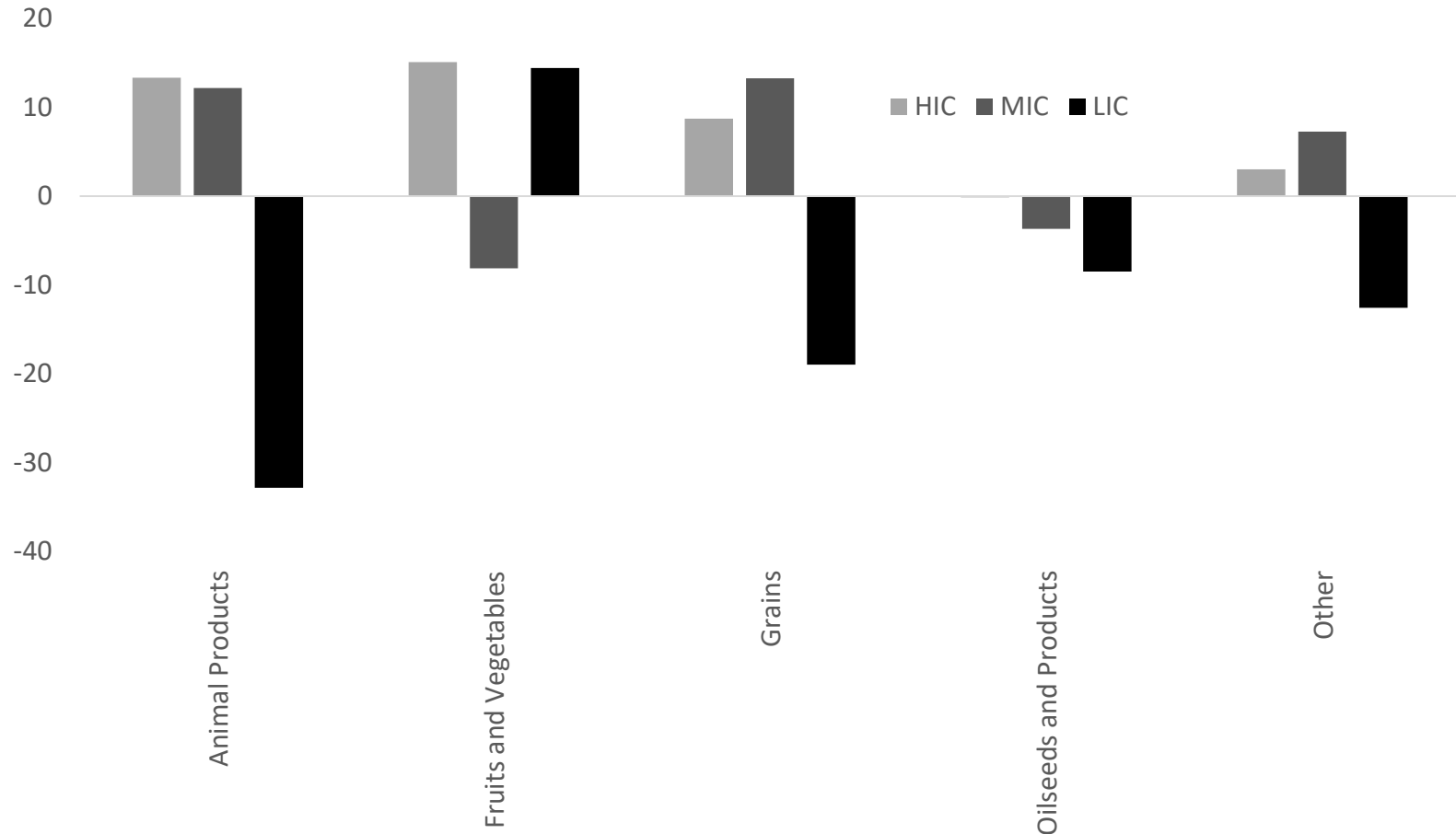
Nominal Rate of Protection/Assistance, Grains, HIC and LIC, weighted averages, 2005-2015



Source: Author's calculations based on *Ag-Incentives* (2017).

The global agricultural policy environment

Nominal Rate of Protection/Assistance, by product categories, weighted averages, 2010-2015

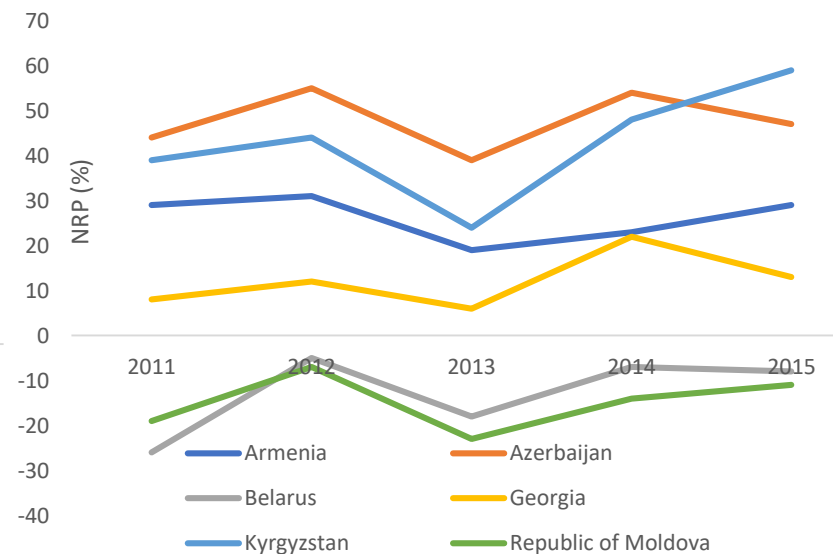
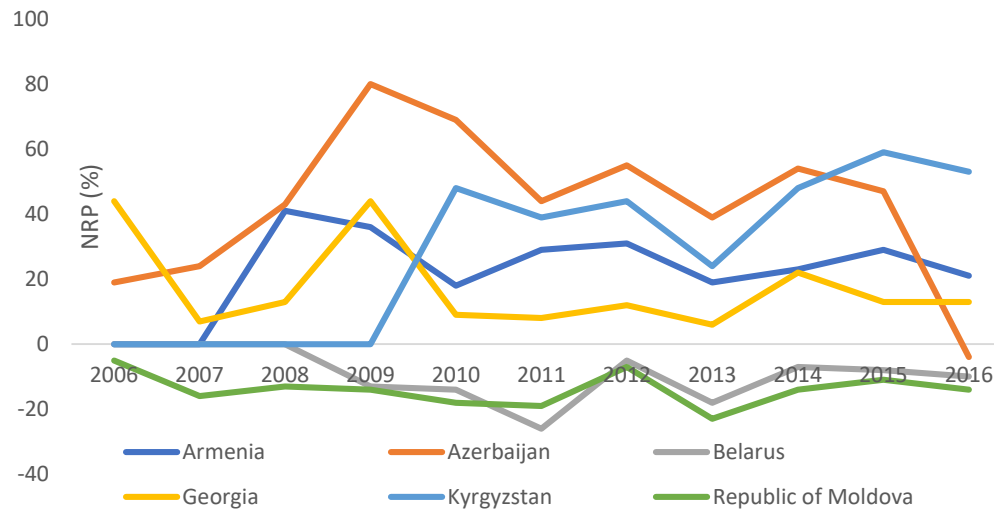


Source: Author's calculations based on *Ag-Incentives (2017)*.

The global agricultural policy environment

Nominal Rate of Protection/Assistance, by countries, 2006-2016

Country	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Armenia	na	na	41	36	18	29	31	19	23	29	21
Azerbaijan	19	24	43	80	69	44	55	39	54	47	-4
Belarus	na	na	0	-13	-14	-26	-5	-18	-7	-8	-10
Georgia	44	7	13	44	9	8	12	6	22	13	13
Kyrgyzstan	na	na	na	na	48	39	44	24	48	59	53
Moldova	-5	-16	-13	-14	-18	-19	-7	-23	-14	-11	-14



Source: Author's calculations based on pilot study dataset (2019).

Conclusion

- ✚ Wide cross-country dispersion within both high-income and developing country groups
- ✚ Wide cross-product dispersion of NRPs within each country's agric sector
- ✚ Tendency of governments to react to international price fluctuations

Global agricultural policy monitoring in the future

Continuously updated information/ database

- Comprehensive information for policy makers
- Valuable data source for researchers

Expansion of the information to include other indicators (e.g. NRA and ERP)

Research based on global datasets (e.g. using simple statistics, econometrics and PE/CGE modeling)

Thank you for your attention!