



Developments in Agricultural Policies: How Do Policies Adapt to Growth, Resilience and Sustainability Needs

China Agricultural Outlook Conference
Session 17. E-commerce and Poverty Alleviation
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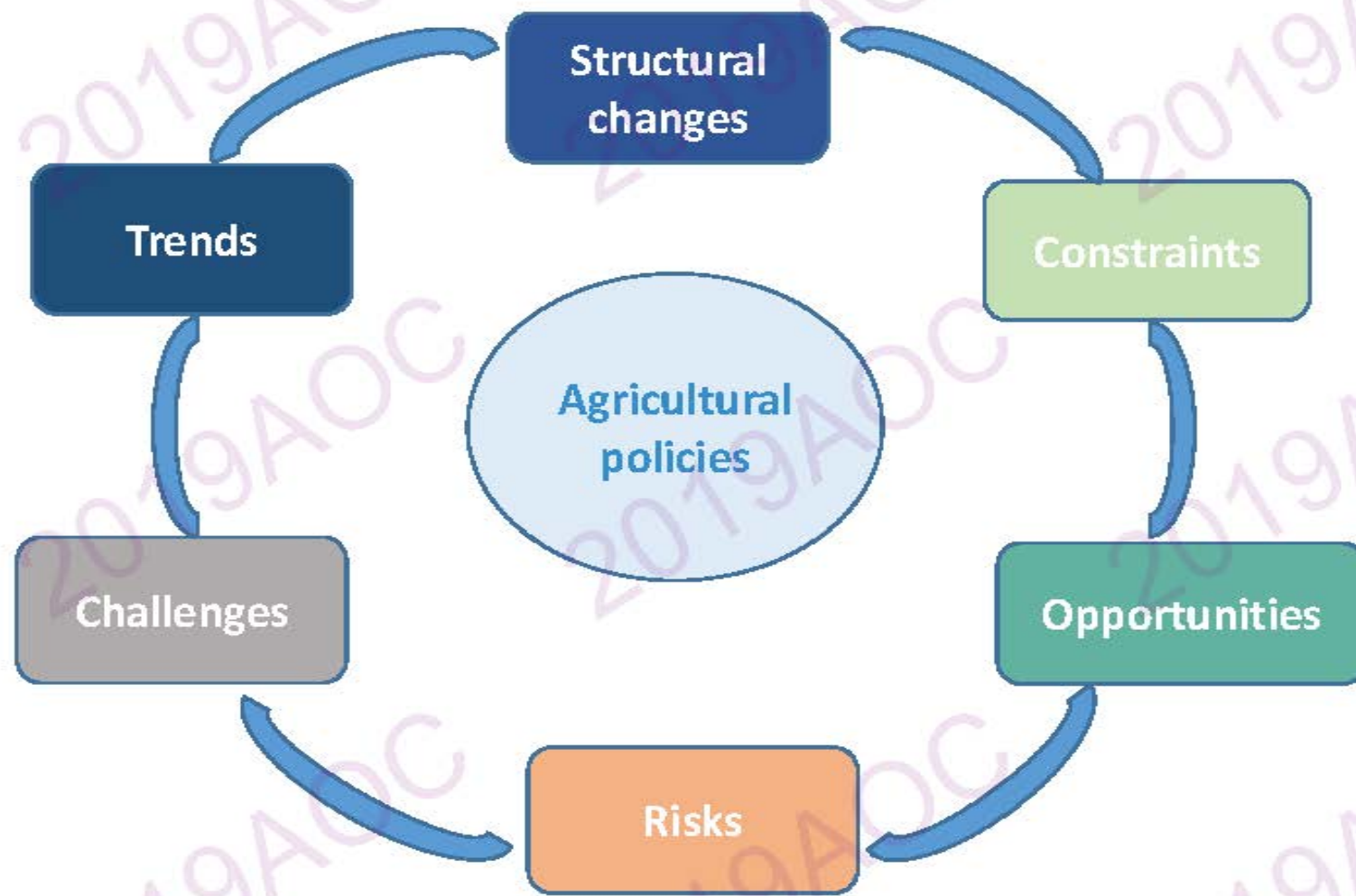
Silvia Sorescu, OECD



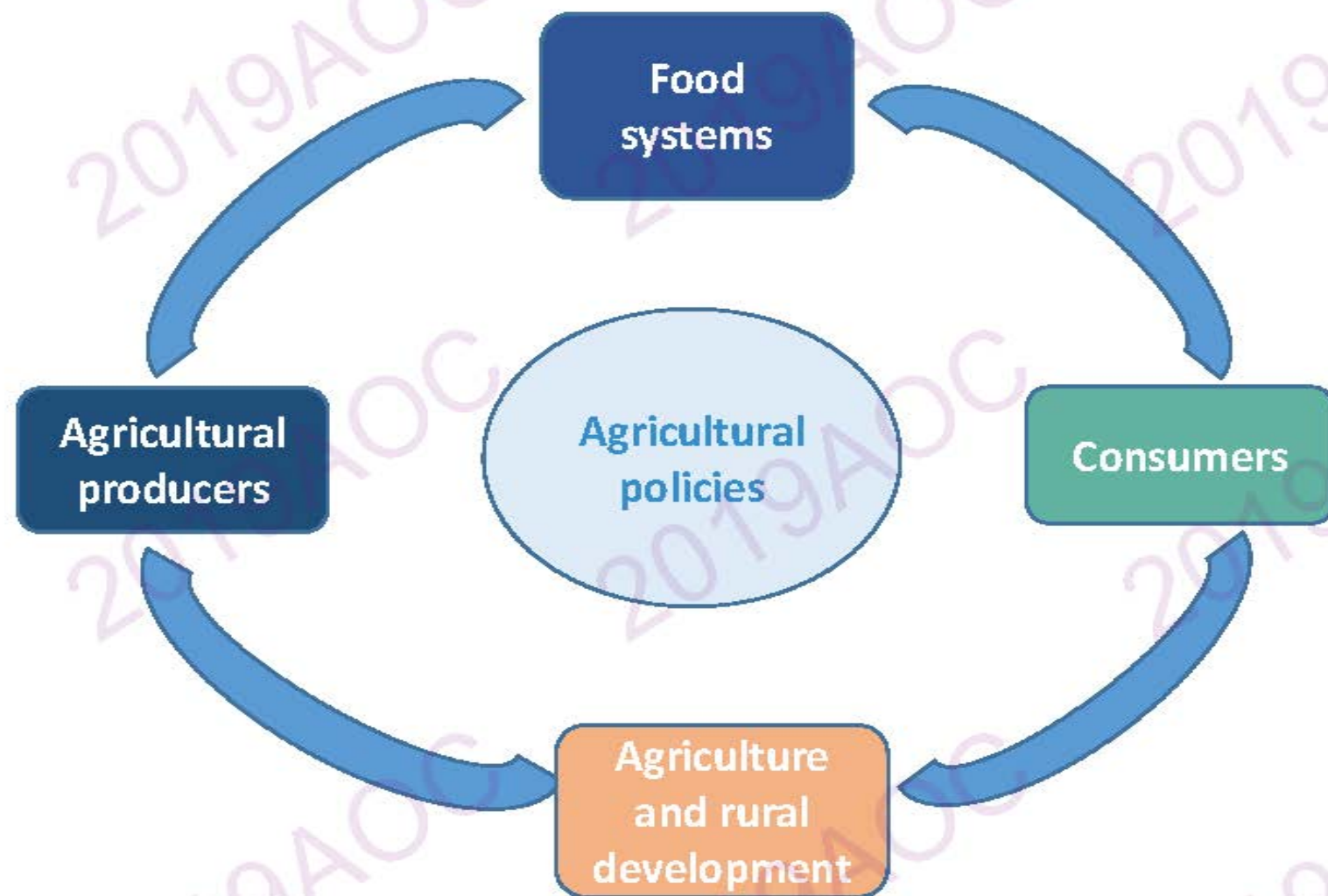


AGRICULTURAL POLICIES IN PERSPECTIVE

Agricultural policies in perspective



Agricultural policies in perspective





TRADE IN AGRO-FOOD PRODUCTS IS INCREASINGLY 'GLOBAL'

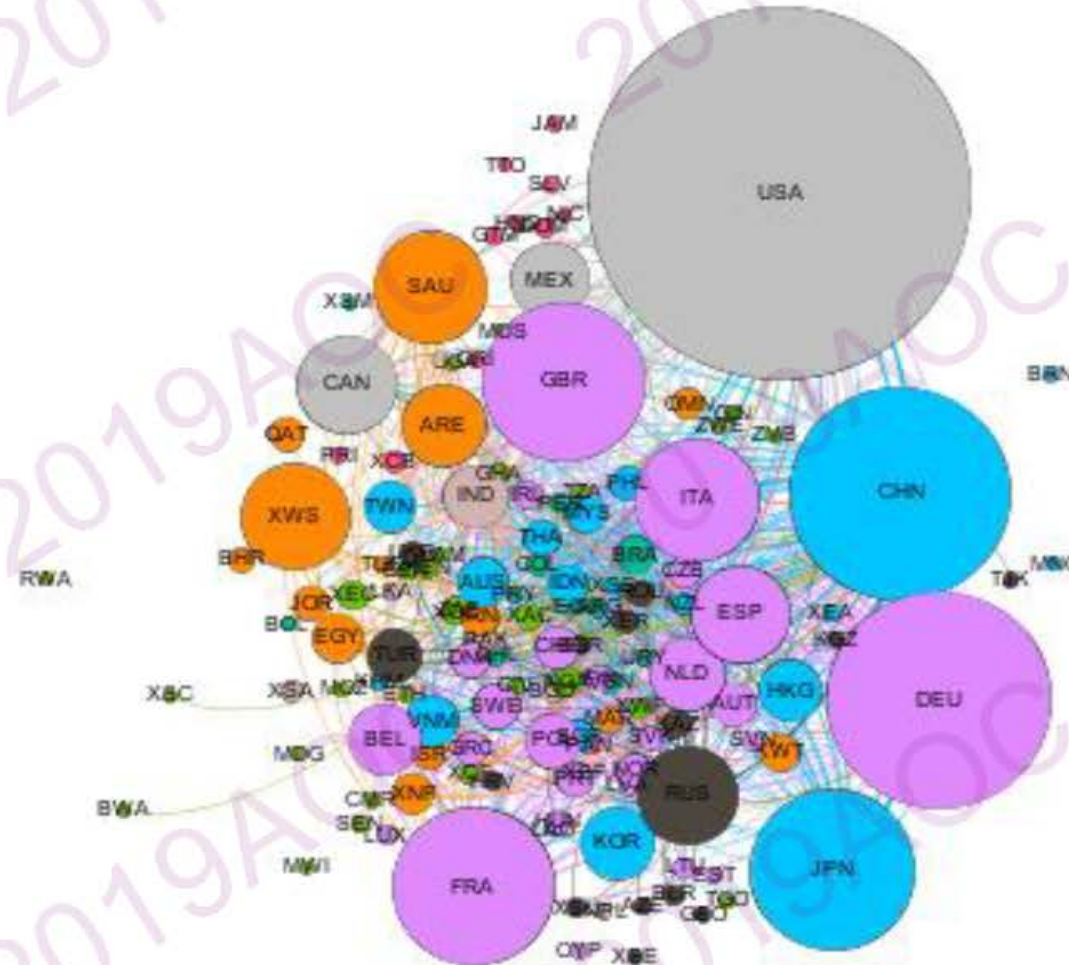
» Trade in agro-food products is increasingly 'global'

- Sectors producing food source their intermediate inputs internationally
 - Production processes buy from Global Value Chains (GVCs)
- Agro-food products also get used in the production of other food products
 - Exports are sold into Global Value Chains (import to produce exports)
- E-commerce is part of this landscape
- Interconnections mean policies have wider impacts on markets



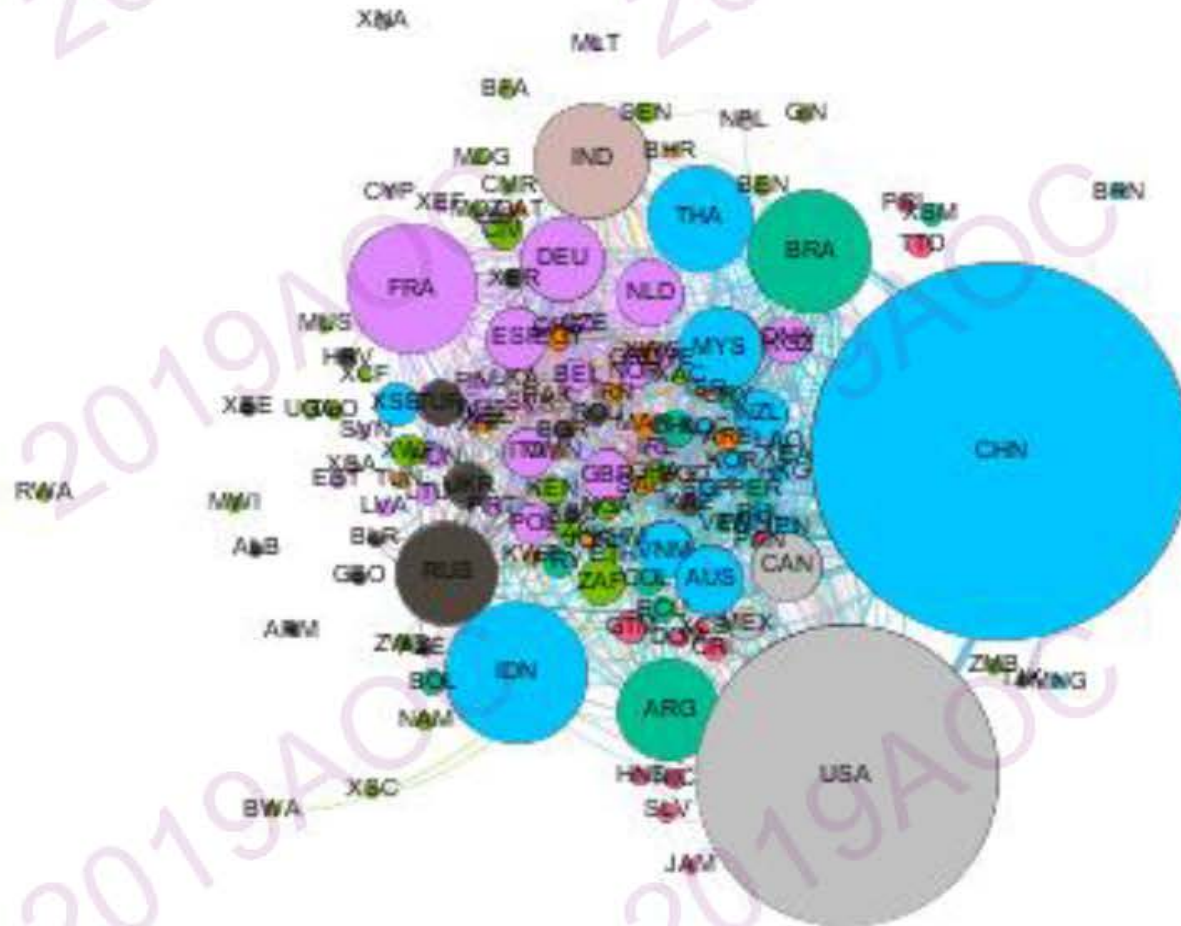
Centrality in agro-food global value chains

Centrality as buyers of value added from the agriculture and food sectors for final demand, 2014



Centrality in agro-food global value chains

Centrality as seller of value added from the agriculture and food sectors for final demand, 2014



» The enabling environment for agriculture can have strong links to e-commerce in agro-food products and poverty reduction

Public services to the sector that include:

- Infrastructure and connectivity
- Research & development and extension services
- Marketing and promotion
- Inspection (product safety, pest and disease inspection and control, input control)

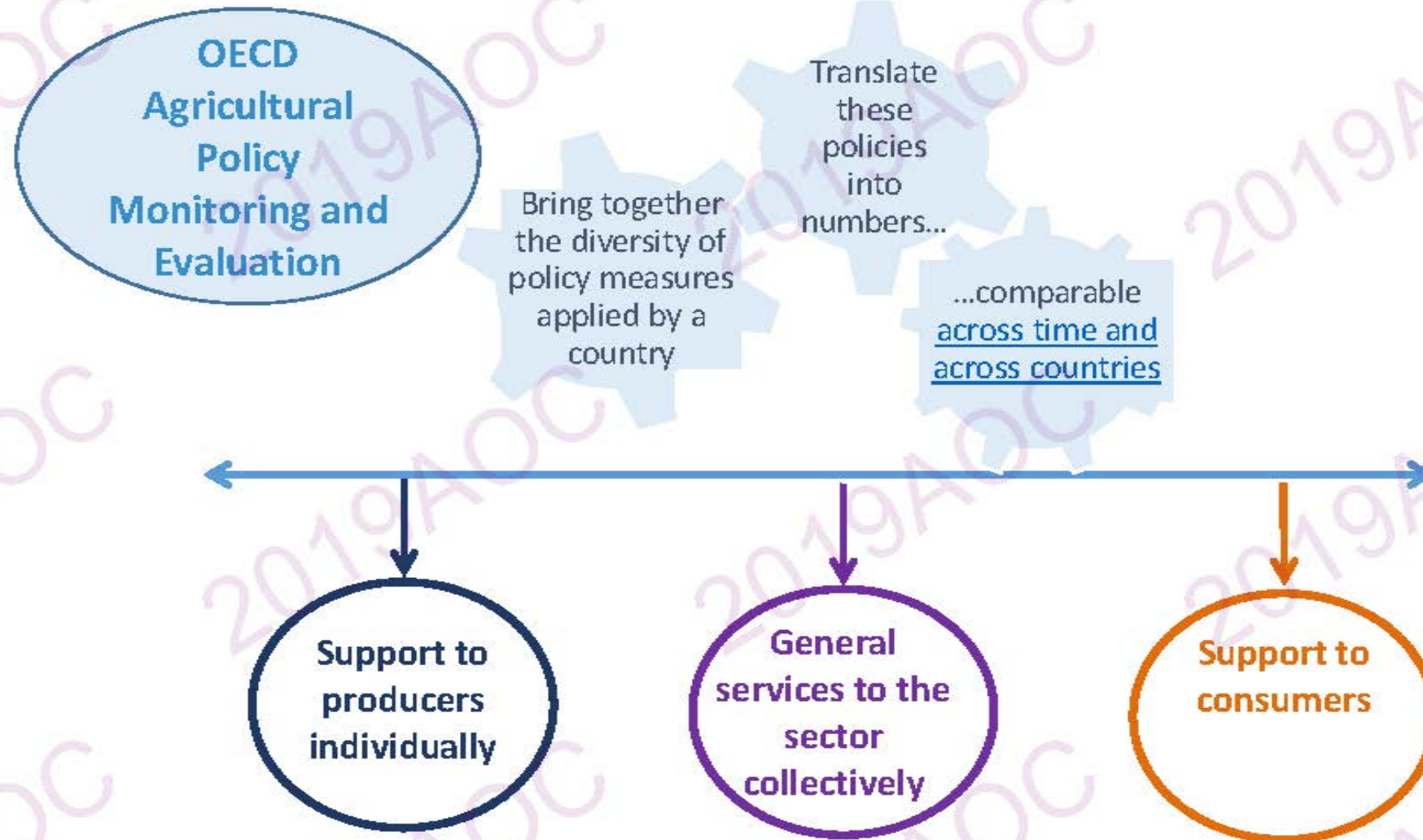
Broader enabling environment for agriculture:

- Financial services
- Education and skills
- Land markets
- Effectiveness of labour, goods and financial market operations



HOW DO AGRICULTURAL POLICIES CURRENTLY RESPOND TO CHALLENGES AND OPPORTUNITIES?

Agricultural policies in perspective: What is measured?



Support to producers individually

Support through budgetary transfers

Support to producers individually
(Producer Support Estimate, PSE)

Support through prices (Market Price Support):
arising from market intervention with policies that create a differential between domestic and border prices
→ concept of “**opportunity price (cost)**”

General services to the sector collectively

**General services to
the sector: GSSE**

**Development and
maintenance of
infrastructure**

**Agricultural innovation
system**

Marketing and promotion

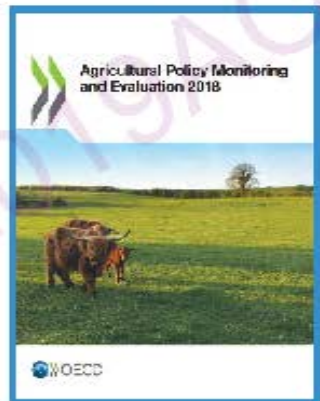
Inspection and control

Public stockholding

Agricultural policies in perspective:

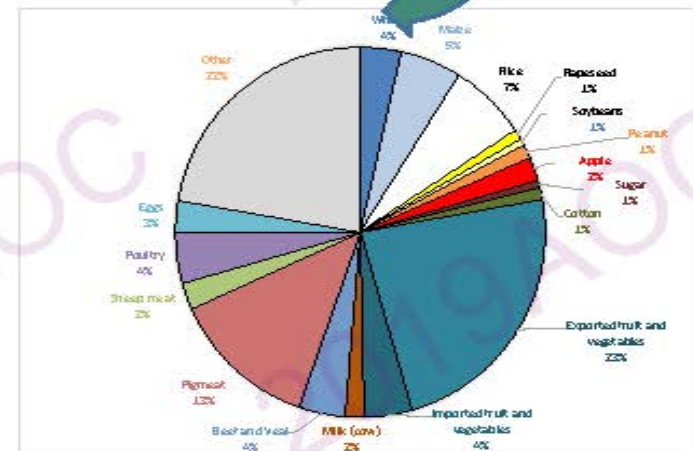
What is covered by the Agricultural Policies Monitoring and Evaluation?

51 economies
covered in 2018
(EU as 1 dataset)



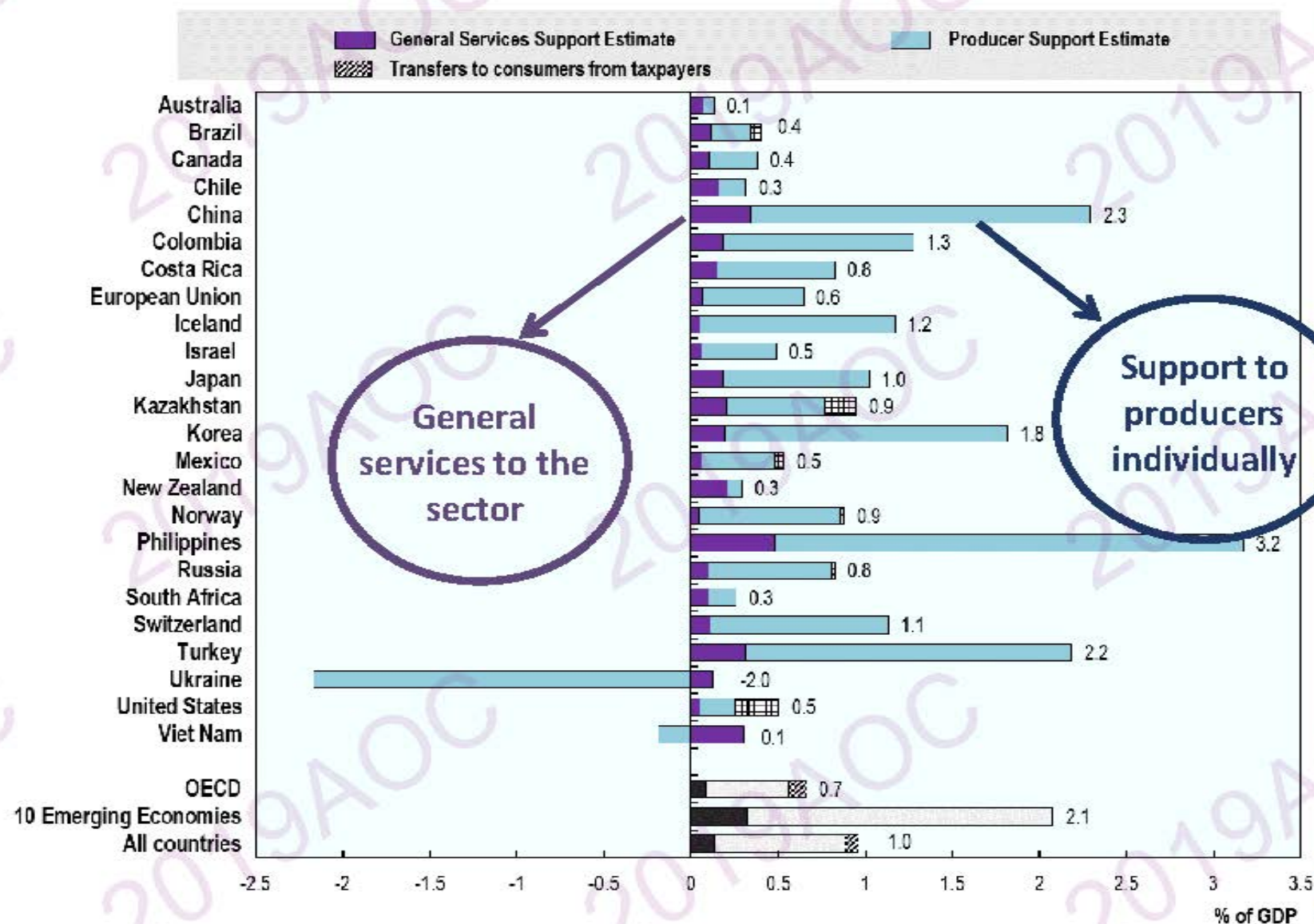
Most important
commodities in a
country

For ex.: Composition
of the agricultural
Value of Production,
China 2015-17



The composition of overall support matters

Percentage of GDP, by country, 2015-17



Source: OECD PSE/CSE/GSSE database, 2018.

A large share of support targets individual commodities

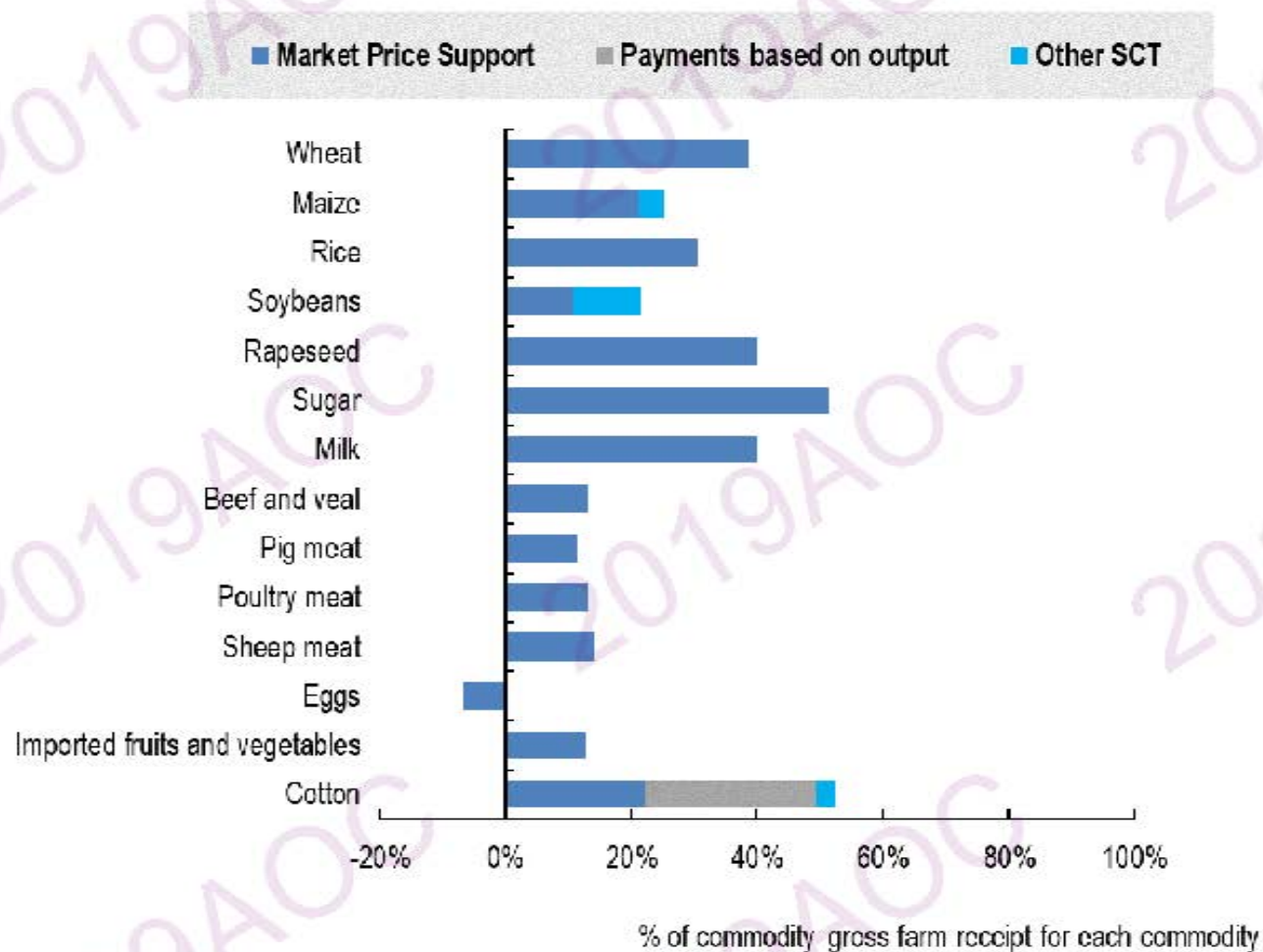
Percentage of gross receipts for each commodity, 2000-02 and 2015-17



Source: 2017 OECD PSE/CSE database.

Support to individual commodities in China

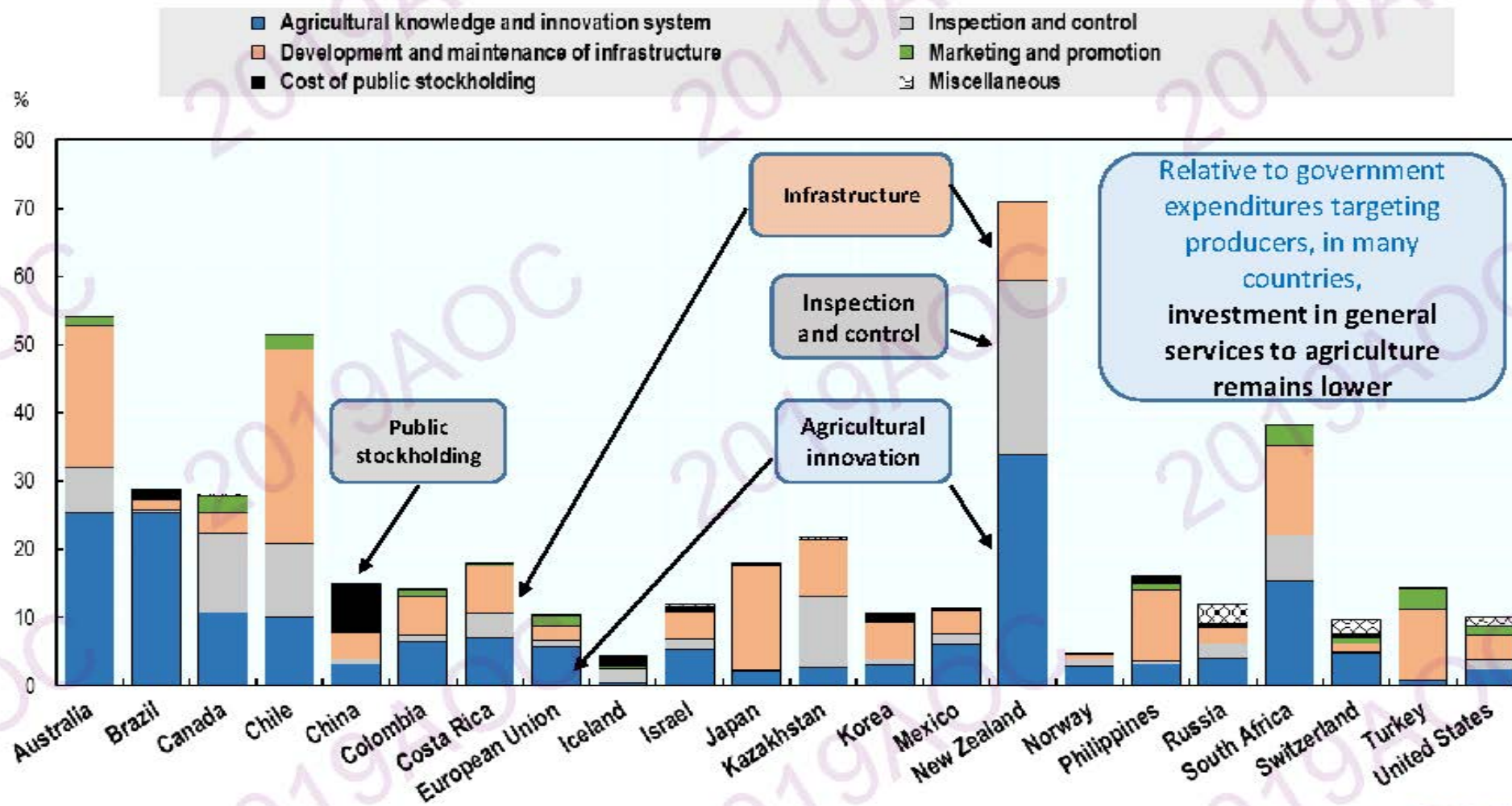
Percentage of gross farm receipts for each commodity, 2015-17



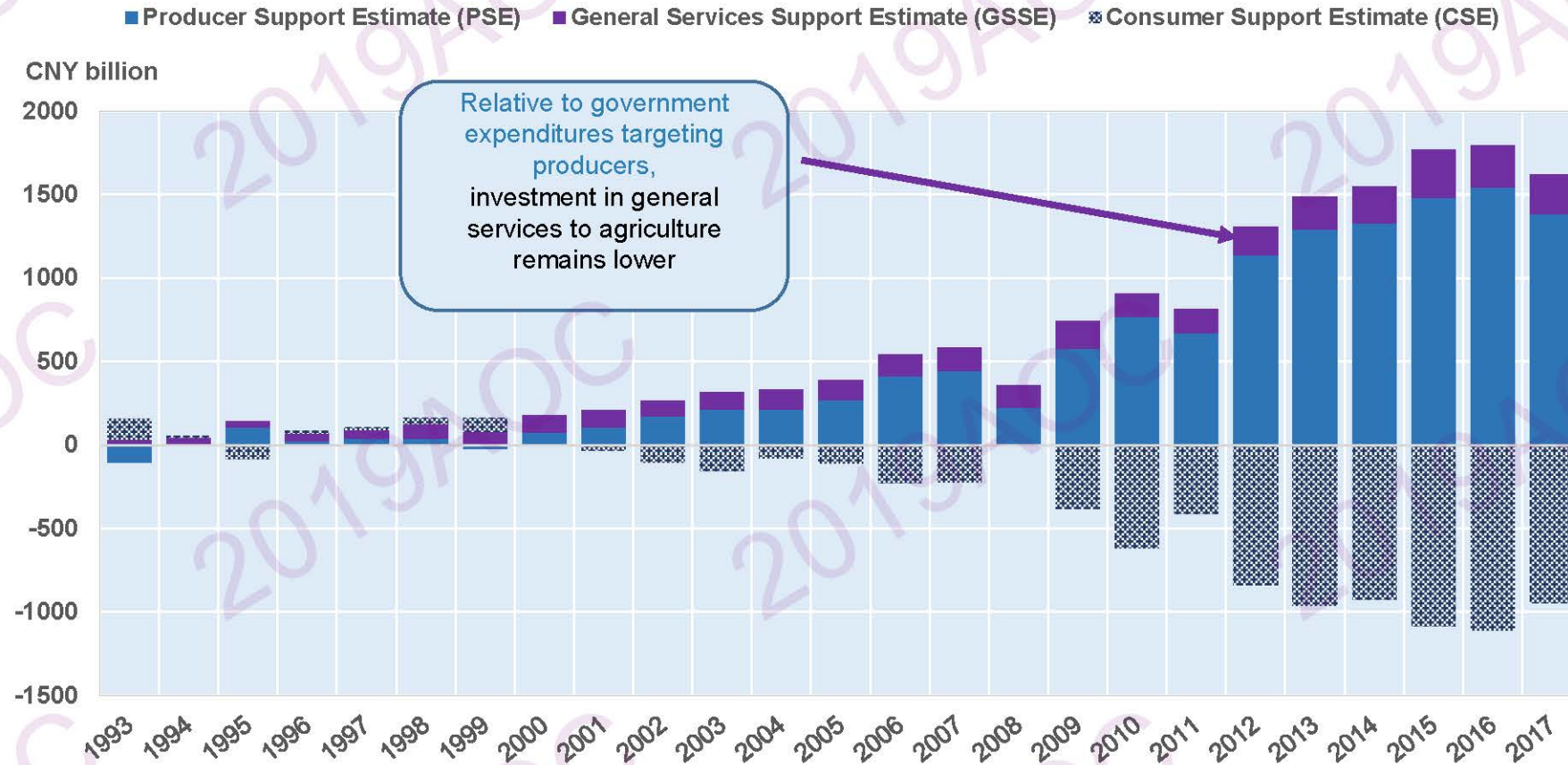
Source: OECD PSE/CSE/GSSE database, 2018.

Support to general services continues to vary across countries

Share of General Services Support Estimate in Total Support (%), 2015-17



General services compared to Producer support in China



» Concluding remarks

To strengthen the sector's capacity to respond to future challenges and opportunities – including those generated by e-commerce – a variety of general services will be crucial

- various forms of sector-specific hard and soft infrastructure, through appropriate investments from ICT to transportation facilities, which have an important role in improving farmers' connectedness to markets, knowledge and other services
- appropriate investments in animal and plant health systems, required to enhance the preparedness of their agricultural sectors to respond to future challenges and opportunities
- a well-functioning agricultural innovation system, adapted to the needs of the sector

Within the envelope of transfers to individual producers, there are also opportunities to improve the targeting of support, to better align the measures used with countries' goals for the sector

Thank you very much for your attention!

Contact us

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We look forward to hearing from you!

Access all of the
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